

NATIONAL ASSEMBLY

OFFICIAL REPORT

Thursday, 29th April, 2004

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

PAPERS LAID

The following Papers were laid on the Table:-

Annual Report and Accounts of Kenya Medical Research Institute for the year ended 30th June, 2001, and the Certificate there on by the Controller and Auditor-General.

*(By the Assistant Minister for Health
(Mr. Konchella) on behalf of the
Minister for Health)*

Annual Report and Accounts of the Kenya National Library Services for the year ended 30th June, 2000, and the Certificate thereon by the Controller and Auditor-General.

*(By the Assistant Minister for Health
(Mr. Konchella) on behalf of the
Minister for Gender, Sports,
Culture and Social Services)*

NOTICE OF MOTION

BAN ON ILLICIT BREWS

Mr. Kembi-Gitura: Mr. Speaker, Sir, I beg to give notice of the following Motion:- THAT, in view of the fact that the sale of illicit brews has continued to kill very many Kenyans and negatively affected the economy of this country, particularly the agricultural sector, and destroyed many families; considering that the sale of brews of any kind is not by law allowed to children, taking into account that the mushrooming sale of alcohol in sachets has made the same accessible even to school going children, and cognisant of the fact that very many such school going children have been destroyed by the consumption of alcohol in sachets, this House urges the Government to ban the sale of alcohol of whatever kind in sachets and that, alcohol henceforth, to be sold in designated sizes of bottles only, and the minimum of such size to be 300 millilitres.

(Applause)

ORAL ANSWERS TO QUESTIONS

*Question No.092*HARDSHIP ALLOWANCE FOR
LUTSANGANI SECONDARY
SCHOOL TEACHERS

Mr. Khamisi asked the Minister for Education, Science and Technology:-

(a) why teachers at Lutsangani Secondary School in Chonyi Division of Bahari Constituency are not paid hardship allowance while the school is located in a remote area; and,

(b) what is the criteria used to determine payment of such allowances.

The Assistant Minister for Education, Science and Technology (Dr. Mwiria): Mr. Speaker, Sir, I beg to reply.

(a) Chonyi Division in Malindi District has never been gazetted as a hardship area. The Teachers Service Commission (TSC), therefore, does not pay teachers at Lutsangani Secondary School hardship allowances because the Commission pays hardship allowances only to those schools that are in gazetted hardship areas.

(b) The criteria used in declaring an area "hardship" include: Poor infrastructure, poor food situation, poverty levels, lack of key amenities like electricity, harsh geographical conditions leading to difficult terrain, scattered schools which are away from habitable areas, insecurity and drought, amongst other considerations.

Mr. Speaker: I would like to warn the House that we have to finish Questions, at least, one minute before 3.30 p.m. That is because today is a Supply Day.

Mr. Khamisi, please, proceed!

Mr. Khamisi: Mr. Speaker, Sir, first of all, I would like to correct the Assistant Minister that Chonyi Division is not in Malindi District. It is in Bahari Constituency, Kilifi District.

Mr. Speaker, Sir, Lutsangani Secondary School is far away from areas of communication. In fact, it is between 15 kilometres and 20 kilometres away from Kilifi, which is the administrative centre. I am not quite happy with the criteria that is used to determine hardship areas. Could the Assistant Minister tell this House whether he is going to undertake a review, so that, that school can benefit from hardship allowance like others?

Dr. Mwiria: Mr. Speaker, Sir, we have also found out that the criteria is not clear. In keeping with the suggestion by the hon. Member, we are in the process of reviewing the existing criteria, so that we can come up with a clear transparent policy as to which schools should benefit from hardship allowance. If the school the hon. Member is talking about fits in that category, we will certainly include it.

Mr. Bahari: Mr. Speaker, Sir, in the hardship areas, the hardship allowances that are paid are so little, that they do not motivate the teachers in those areas. That is why there are poor examination results that you see time and again. What plans does the Assistant Minister have to review them and pay appropriate hardship allowances?

Dr. Mwiria: Mr. Speaker, Sir, although the hardship allowances may not be as much as we would like, they have made some difference. But I agree with you that, as we review the criteria of who fits in, we shall put the issue of allowances into consideration. However, I appreciate that consideration.

Mr. Speaker: Next Question by Prof. Olweny! I am sorry but today, I will only be giving

three Members a chance to ask supplementary questions.

Question No.104

PAYMENT OF DUES TO MUHORONI/
MIWANI SUGAR-CANE FARMERS

Prof. Olweny asked the Minister for Agriculture:-

(a) Whether he is aware that Miwani and Muhoroni Sugar Companies owed farmers and workers several millions of shillings, before the two companies were put under receivership;

(b) whether he could indicate the actual amounts owed to farmers and workers by each of the two companies; and,

(c) what arrangements are being made by the Government to ensure that farmers and workers are paid their dues.

The Minister for Agriculture (Mr. Kirwa): Mr. Speaker, Sir, I beg to reply.

(a) As I informed the House in October, last year, I am aware that Miwani and Muhoroni sugar companies owed farmers and workers money, before they were put under receivership.

(b) The amount owed to Miwani sugar-cane farmers is Kshs97,837,256, while staff arrears stand in excess of Kshs64 million shillings.

For Muhoroni Sugar Company, the amount owed to farmers is Kshs154,367,400, while staff arrears amount to Kshs66,494,052.20.

In so far as farmers' arrears are concerned, the Government, in February this year, directed the Kenya Sugar Board to avail Kshs 800 million to sugar millers in the country to enable them settle accumulated farmers arrears. As such, already Kshs493 million has been released to several factories. The arrears for Muhoroni farmers amounting to Kshs77 million will be paid next week. Computation of payments to other millers, including Miwani, is under process.

(c) The issue of salary arrears is being handled separately by the receivers and the shareholders of the two companies.

Prof. Olweny: Mr. Speaker, Sir, that was a good answer from the Minister. However, I wish to inform him that according to the Sugar Act, any delayed payments that are due to the farmers are supposed to be paid with interest. Is this going to be taken care of here?

Mr. Kirwa: Mr. Speaker, Sir, the farmers' arrears in question did arise before the Sugar Act, 2001. What we have been doing as far as all deliveries are concerned as of now, is to be up to date and I can confirm to the House that all deliveries have been paid for.

Mr. Kimeto: Mr. Speaker, Sir, you have heard the Minister saying that these farmers will be paid. My big question is: Is this sugar that has not been paid for in stock, or is the money that is due to these farmers in stock, and if it is, why has it not been paid to them?

(Laughter)

Mr. Kirwa: Mr. Speaker, Sir, I would like to confirm to the hon. Member that the sugar was sold but it was not paid for because of many reasons that we inherited. However, what we are trying to do is to address how to gradually reduce the farmers' arrears and be up to date for all deliveries that are done today.

Mr. Osundwa: Mr. Speaker, Sir, the Minister has said that the Government has directed Kenya Sugar Board to loan these sugar factories an amount of Kshs800 million. We know very well

that Muhoroni and Miwani are under receivership. Is the Minister telling us that the best way to assist companies which are in receivership is to loan them further monies?

Mr. Kirwa: Mr. Speaker, Sir, it is clear when I was giving the answer that what we are dealing with is the issue of farmers' arrears and as a Government, we took a decision that the way to resuscitate the sugar sub-sector is to ensure that we pay all farmers' arrears. Secondly, whether the companies are under receivership or in operation, the farmers still belong to Kenya.

Mr. Speaker: Last question! Prof. Olweny, are you interested or can I give it to somebody else?

Prof. Olweny: Mr. Speaker, Sir, if you do not mind, could I give that chance to hon. Sungu?

Mr. Speaker: Not you! You want me to give it to somebody else?

Prof. Olweny: Yes, Mr. Speaker, Sir.

Mr. Speaker: Okay. I will give it to the only Member standing on the Government side, who happens to be Mr. Sungu.

Mr. Sungu: Thank you, Mr. Speaker, Sir. We have an equal interest in this Question because I come from that area and I am also a sugar cane grower. The main problem facing the sugar factories is that they are unable to pay the farmers because they are not able to sell their produce at a competitive price due to illegal importation of sugar into the country under the COMESA rules. I want the Minister to address the question. What action is he going to take to rescind the decision so that these illegal imports into the country by sugar barons can be stopped forever?

Mr. Kirwa: Mr. Speaker, Sir, I will be able to address that issue substantively later in the day, but suffice it to say the following: Since I took over the Ministry, I have focused on the issue of revitalising the sector and some of the steps I have taken include, gazettment of regulations governing importation of sugar, which regulations are supposed to be implemented by the Kenya Sugar Board. Whether there are any problems arising out of that, is a matter of discussion between ourselves, the Ministry of Finance and the Ministry of Trade and Industry.

Mr. Speaker: Next Question by Mr. Mganga!

Question No.101

AMBULANCES FOR HEALTH CENTRES IN VOI

Mr. Mganga asked the Minister for Health:-

- (a) whether she is aware that Kasigau and Sagalla health centres have no ambulance;
- (b) whether she is further aware that the two health centres and ten other dispensaries in Voi Constituency are all understaffed and lack adequate supply of essential drugs;
- (c) when she will provide the two health centres with ambulances; and,
- (d) what steps she is taking to ensure that the health centres and the ten dispensaries are constantly supplied with adequate drugs.

The Assistant Minister for Health (Mr. Konchella): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that Kasigau and Sagalla health centres and many others in the country do not have ambulances.

(b) I am also aware that the two health centres and the dispensaries in Voi Constituency have a shortage of staff. This is a countrywide problem that we shall continue to address as we continue to train and recruit additional staff. I am, however, not aware that the two centres and

dispensaries do not have adequate supply of essential drugs, since all these facilities have regularly been supplied with drug kits. Supplementary supplies have also been provided to them if their supplies are exhausted before arrival of new kits.

(c) We are reviewing the Ministry of Health's budget for the next financial year and we shall factor purchase of new ambulances for priority areas including the two health centres in Voi constituency. In the meantime, arrangements are being made to repair a Land Rover, Registration Number. GK 978T that is at Voi Hospital to be used at one of the health centres.

(d) As stated in (b) above, the health facilities in Voi Constituency are currently well supplied with essential drugs and I shall ensure that this supply is maintained regularly.

Mr. Mganga: Mr. Speaker, Sir, I want to thank the Assistant Minister for that answer. Yes, it is true that the supply of drugs has reasonably increased ever since I lodged this Question to the Ministry. However, the shortage of staff is so serious that the rendering of services is very difficult. Since the Assistant Minister has been promising an increase of nurses where we have a shortage of 34 in Voi Hospital and a total of six in the two health centres and now that he has given only 30 for the whole of Taita District, could he consider doubling the number from 30 to 60 to be able to take care of the three main hospitals in Taita and Taveta District so that Voi Hospital does not continue suffering a shortage?

Mr. Konchella: Mr. Speaker, Sir, the Ministry is looking into ways of accessing funds from development partners and the Ministry's budget to recruit more staff in the next financial year and when we do so, we shall take care of the interests of the hon. Member.

Mr. Bifwoli: Mr. Speaker, Sir, you realise that it is a few months to the new financial year. This financial year, some health centres like Bumula were allocated money to buy ambulances and yet, the Ministry has not bought them. When will the Ministry buy ambulances before the financial year ends?

Mr. Konchella: Mr. Speaker, Sir, since I did not expect to answer that question, I will ask the hon. Member to bring it at another time.

Mr. Rotino: Mr. Speaker, Sir, you heard the Assistant Minister say that they are going to look for money from donor countries to be able to employ more nurses. This has been said time and again when such a Question has been asked. Could the Assistant Minister give the House an assurance that he is going to employ nurses before the end of June or this year so that we are able to curb this problem?

Mr. Konchella: Mr. Speaker, Sir, the hon. Member should appreciate that the Ministry is making every effort to that end. Recently, we recruited 800 nurses and they are now being posted to the various places which they were recruited for. So, the Ministry is doing the same, by even going to development partners to ensure that we are able to look after the health centres in the whole country.

Mr. Omondi: Mr. Speaker, Sir, in the last two months, we witnessed a very big recruitment of health staff in the country. The Ministry said that it recruited over 600 health workers. A spot check in my constituency showed that none of them had been posted to the hospitals there. What is the policy of the Ministry in ensuring fair distribution of staff when they are recruiting them? How does this policy affect Kasarani and Nairobi at large?

Mr. Konchella: Mr. Speaker, Sir, the hon. Member has not shown the Ministry that there is a shortfall in Kasarani Constituency, but as you may realise, we based our recruitment on the shortfall experienced in the whole country. We took care of the dispensaries which were closed down or had only one member of staff. Any dispensary or hospital which had more than 50 per cent members of staff, was not a beneficiary because there were others which were more deserving. We actually took care of the needy cases.

Mr. Mganga: Mr. Speaker, Sir, there are two health centres in Voi; Sagalla and Kasigau. They are located in a very difficult terrain. In fact, sometimes, patients have to be carried on traditional makeshift stretchers or wheelbarrows to be able to access a road which links the health centres to hospitals in Voi. While seeking a categorical assurance from the Assistant Minister that he will, indeed, supply two ambulances to Sagalla and Kasigau Health Centres in the next financial year, could he consider granting the health centres Kshs120,000 which is the cost of repairing the Land Rover? If it is repaired it can be used by one of the health centres, at least, before the end of the financial year.

Mr. Konchella: Mr. Speaker, Sir, we have told the Medical Officer of Health (MOH) to request the Health Management Board to utilise the caution money to repair the Land Rover immediately. The funds in the Ministry are now exhausted since we are closing the financial year. However, the caution money is available, and if they use it, we can always reimburse in the next financial year. I would have wished that the hon. Member commends the Ministry for taking care of his constituents.

Question No. 059

MEASURES TO PROTECT WORKERS
FROM AGROCHEMICAL POISONING

Mr. Mwanicha asked the Minister for Labour and Human Resource Development what steps he is taking to safeguard the health of workers in horticultural and floricultural farms against agrochemical poisoning.

The Minister for Labour and Human Resource Development (Mr. Mwakwere): Mr. Speaker, Sir, I beg to reply.

The Department of Occupational Health and Safety Service in my Ministry is charged with the responsibility of safeguarding the health of workers in the horticultural and floricultural farms against agrochemical poisoning. This is done by:

(a) Monitoring the health of workers handling chemicals, especially chemical sprayers and those working in the agrochemical stores;

(b) enhancing the training of both the employers and the employees on safe use of chemicals including safe handling and disposal of chemical waste;

(c) carrying out regular and systematic inspection and monitoring the health and safety standards in flower farms to ensure adequate personnel protection, and protective appliances are provided and well maintained for use by the workers; and,

(d) prosecuting those horticultural and floricultural farms which do not comply with the safety and health requirements under the Factories and other Places of Work Act, Cap.514, Laws of Kenya.

Mr. Mwanicha: Mr. Speaker, Sir, if you listened carefully to the answer the Minister was reading, it sounded more like a text book copy.

(Applause)

We are dealing with lives of human beings here. The lives of pregnant mothers are at risk and as I talk to you now, they are losing their pregnancies through misuse of those agrochemicals. Could the Minister tell this House any three companies that have been taken to court for abuse of agrochemicals in the last two years?

Mr. Mwakwere: Mr. Speaker, Sir, my answer sounded like a text book reference probably because I read very, very well. However, we have prosecuted a few farms in Nakuru, Kericho and Naivasha for failing to comply with the Safety and Health requirements under the Factories and Other Places of Work Act, Cap.514, Laws of Kenya. So, prosecution has been carried out, but if the hon. Member can be more specific, I will be willing to give more details.

Mr. Mwanacha: On a point of order, Mr. Speaker Sir.

Mr. Speaker: What is it, Mr. Mwanacha?

Mr. Mwanacha: Mr. Speaker, Sir, I asked the Minister to name three companies that he had taken to court within the last three years, but he has not named any. He is not in order to mislead this House.

Mr. Speaker: Mr. Mwakwere, he is asking you to name the companies that you have prosecuted for having disregarded the safety and health regulations. Please, be specific and mention the horticultural and floricultural companies involved.

Mr. Mwakwere: Mr. Speaker, Sir, as I said earlier, we prosecuted farms in Nakuru, Kericho and Naivasha.

Hon. Members: Which ones? Name them!

Mr. Mwakwere: Mr. Speaker, Sir, the names of the farms will be provided to the House on Tuesday. The reason is that we have more than 50 horticultural farms in this country and it is a tall order for me to go round just to give you names of those that have been prosecuted.

Mr. Bahari: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Yes, what is it?

Mr. Bahari: Mr. Speaker, Sir, this is a very important Question and it touches on the lives of Kenyans. We know how much the products that are exported out of this country have been subjected to stringent tests with regard to the agrochemicals that have been used. Could this Question be deferred so that the Minister is able to bring a proper answer with names of the companies that have so far been prosecuted?

Mr. Mwakwere: Mr. Speaker, Sir, I am ready to answer or give details as required by hon. Members. I agree with them that this is a very important matter. However, the way the Question was phrased did not really make it necessary for me to come with a list of the companies that have been prosecuted or the names of individuals who have been affected by the dangerous chemicals. So, it is as a result of the manner in which the Question was phrased in the first place. However, I am ready to give the required details.

(Loud consultations)

Mr. Speaker: Order, Members! I suppose that I have to give the Minister time because of the concern of the House and the nation at large with regard to poisoning of workers and rivers by horticultural and floricultural farms. So, perhaps, you need to look at that in detail because this House, at least, must protect the lives of Kenyans.

(Applause)

Mr. Mwakwere: Mr. Speaker, Sir---

Hon. Members: Just say, "yes".

Mr. Mwakwere: Mr. Speaker, Sir, all details required by the House will be provided, but I would kindly request that the Question be rephrased so that even the polluted rivers are mentioned and individuals---

Mr. Speaker: Order, Mr. Mwakwere! Order! Mr. Mwakwere you are charged by Kenyans to ensure that they are safe at their places of work.

(Applause)

It is your business, if necessary, to go round all those factories and find out the truth. That is your job and you have a battalion of workers under you. So, please, bring to the House a more comprehensive answer next Wednesday.

(Question deferred)

Question No. 121

EXPANSION OF SEATING SPACE IN
NATIONAL LIBRARIES

Mr. Mukiri asked the Minister for Gender, Sports, Culture and Social Services:-

- (a) whether he is aware that the seating space in National Libraries is not adequate; and,
- (b) what he is doing to ease the situation.

The Assistant Minister for Gender, Sports, Culture and Social Services (Mrs. Chelaite):
Mr. Speaker, Sir, I beg to reply.

The Ministry is aware that seating space in all the National Library Network is inadequate due to the following factors:-

- (1) The increased demand for the library services by the Kenyan community yearning for knowledge, which has exerted pressure on the available physical infrastructure.
- (2) Scarcity of branch libraries
- (3) Establishment of libraries in the 1970s and 1980s with donor support meant to serve a population that has since then tripled in growth.

To ease the problem of inadequate seating space in the libraries, my Ministry is undertaking the following measures:-

- (1) Encouraging the establishment of community-based libraries;
- (2) De-congesting seating space by providing reading tents for leisure and recreational reading in some branch libraries;
- (3) Expanding opening hours during week days up to 6.30 p.m., and on Saturdays up to 5.30 p.m.;
- (4) Expanding existing physical infrastructure.
- (5) Utilizing Kshs10 million book grant and Kshs10.6 million support grant to expand library services.

Mr. Mukiri: If you visit our national libraries, especially during school holidays, you will find most of the children read outside in the open ground. This is very unfair, because sometimes they are exposed to the scorching sun or they are rained on.

Mr. Speaker, Sir, we have just heard the Assistant Minister saying that they have expanded the infrastructure in the libraries. I do not think this is the case. Could she tell us which libraries have been expanded in the last five years?

Mrs. Chelaite: Mr. Speaker, Sir, I said that presently, the Ministry has received Kshs10.6

million for the expansion of libraries throughout the country. We received this money just the other day. Before that, the Ministry had not received any budgetary allocation for library services. Work is underway to expand libraries, especially the Kenya National Library in Nairobi.

Mr. Manoti: Mr. Speaker, Sir, the existing libraries were constructed some years ago, and the number of students keeps on increasing. What plans does the Ministry have to construct libraries in those districts which do not have any?

Mrs. Chelaite: Mr. Speaker, Sir, I would like this House to know that communities are expected to provide the structures or the buildings for the libraries, while the Ministry is supposed to buy books and pay library personnel in every community library.

Mr. Mganga: On a point of order, Mr. Speaker, Sir. You have heard the Assistant Minister saying very clearly that the communities are expected to provide the structures or the buildings to house the libraries while the Ministry provides the books and staff. Under what laws or guidelines are communities expected to provide these structures?

Mrs. Chelaite: Right now, we have the Constituency Development Funds, which, I hope---

(Laughter)

I hope these funds can be utilized for that purpose in those areas where the demand for libraries is really high. With regard to the policy which hon. Mganga is talking about, a policy paper is just about to be brought to this House for approval. As I said earlier on, we did not have any such budgetary support before, and we are now working on the policy which will stipulate what I had said here earlier on in my original answer.

Mr. Speaker: Last word, Mr. Ogur!

Mr. Ogur: Mr. Speaker, Sir, you have heard the Assistant Minister saying that they will buy tents with the money they have received. Winds can blow the tents; the dogs may bark when the students are reading under those tents; or they may be rained upon. It is not possible to read under tents in this country!

(Laughter)

Is it possible, therefore, to put these tents in schools instead of putting tents under trees? Small libraries already exist in schools, so, why can this small money not be given to every secondary school?

(Applause)

Mrs. Chelaite: Mr. Speaker, Sir, I want to inform the hon. Member that this is only a temporary measure in areas which do not have libraries. Instead of leaving these places to stay without libraries and yet the services are needed, we have implemented this programme as a temporary measure. Again, we cannot put books in school libraries because schools have got their own programmes. This is a programme meant for the communities.

(Applause)

Mr. Speaker: Very well. Questions by Private Notice now!
Proceed, Mr. John Sambu!

QUESTIONS BY PRIVATE NOTICE**HARASSMENT OF MOSOP RESIDENTS
BY POLICE**

Mr. Sambu: Mr. Speaker, Sir, I beg to ask the Minister of State, Office of the President the following Question by Private Notice.

(a) Is the Minister aware that armed police officers from Kabiyet Police Post travel daily through Mosop Constituency harassing and arresting innocent people?

(b) Is he further aware that the arrested people are only released after payment of bribes?

(c) If the answers to (a) and (b) are in the affirmative, what action is the Minister taking against the officers involved?

Hon. Members: *Mwenyewe!*

The Minister of State, Office of the President (Mr. Murungaru): *Ndio, niko mwenyewe!*

Mr. Speaker, Sir, I beg to reply.

(a) I am not aware that police officers from Kabiyet Police Post are harassing and arresting innocent people in Mosop Constituency while on duty.

(b) I am also not aware that police have arrested innocent people and refused to release them upon payment of bribes, since nobody has reported any such incident in the area.

(c) Arising from my answers in (a) and (b) above, question (c) does not, therefore, arise.

Mr. Sambu: Mr. Speaker, Sir, may I seek your indulgence, because this is a very serious matter for me. I even have evidence from last year where a Ministerial Statement was given by this Minister. The residents have vowed to take action themselves if the Minister denies these incidents. What should I do? I am seeking your indulgence to go and bring sworn affidavits from the complainants to this House stating that on 29th January, 2004, two ladies were arrested by the police from Kabiyet Police Post. While on the road and in full view of the public, the two policemen, namely Corporal Koech and the driver, Mr. Kipyego Rop, demanded and got Kshs1,000 each before they released the two ladies. There was a very big crowd there. This is a very sad matter, and I am prepared to bring---

(Loud consultations)

Mr. Speaker: Order! Order!

Mr. Sambu: Since you cannot table human beings, I am sure this House will accept affidavits sworn before a Commissioner of Oaths.

Mr. Speaker: Mr. Minister, you can see the passion of the hon. Member. He has asked for reasonable time to provide you with evidence. Obviously, if you asked the policemen whether they were bribed, naturally, they will say no. The hon. Member wants to assist you.

Dr. Murungaru: Mr. Speaker, Sir, I will be very grateful to receive that evidence. Let me remind the hon. Member that both the bribe giver and the taker are guilty.

Mr. Sambu: Mr. Speaker, Sir, these were armed policemen. In fact, one of them, a Mr. Nyongesa, drew his gun. This action threatened the members of the public and they thought it was better to bribe the police.

Mr. Speaker: I think it is reasonable to allow Mr. Sambu to give the evidence to the Minister. I do not think it is in good taste for the Minister to say that Kenyans, complaining about being forced to bribe, are also guilty. This is not voluntary. The Minister should say: "I will treat all the information with confidence". What do you think, Dr. Murungaru?

Dr. Murungaru: Mr. Speaker, Sir, I have said publicly many times that it takes two to tango. Corruption has taken root in this country because there is general acceptance that if you give *kitu kidogo*, things will be okay. I admit that in some instances, the officers might force the public to bribe them. I also admit that there is demand for bribes from police officers. However, they will not stop demanding bribes for as long as there are willing givers.

Mr. Speaker: Mr. Sambu, how much time to do you want?

Mr. Sambu: Mr. Speaker, Sir, I will go home over the weekend. These people will go to Eldoret next week because they cannot get the Commissioner of Oaths over the weekend. In the other week, I will bring the sworn affidavits from the Commissioner of Oaths.

Mr. Speaker: I oblige to you, for two weeks.

Mr. Sambu: Thank you, Mr. Speaker, Sir.

Mr. Ethuro: Mr. Speaker, Sir, while I appreciate the decision of the Chair, I am wondering whether it is the work of Members of Parliament to be informing Ministers? There must be some other mechanisms through which the Minister should gather information. You have put it very well that when you ask the policemen to inform the Minister whether they have taken bribes or not, they will not accept.

Mr. Speaker: Mr. Ethuro, your concern is the general concern. There is a general concern to encourage Kenyans to come out in the open and talk about people who are demanding bribes from them. I will encourage all Ministers to encourage Kenyans to come out to fight against corruption. It does not help when Kenyans feel intimidated that the police officers may come back in reprisal. The Minister can use all other ways, which I encourage him to do, and the hon. Member can also help. I hope we do not get into a situation where the hon. Member has to do the donkey work.

Mr. Kembi-Gitura: On a point of order, Mr. Speaker, Sir. Hon. Sambu will table sworn affidavits before this House after two weeks. If it is found to be true that the officers behaved the way they did, I assume that punishment will be meted out against the two individuals. If we were to table affidavits here, next Tuesday or the other week, this place will be inundated with affidavits. This is happening countrywide and not just in Mr. Sambu's Constituency.

What policy measures have been put in place by the Minister? I will come here and complain about the same thing Mr. Sambu has complained about, get sworn affidavits and punishment will be meted against the individuals. What policy are we, as a country, pursuing? Corruption is rampant in the Police Force. This is common knowledge. Even if it takes two to tango, there must be a policy guideline. Policemen have a policy that guides them. This is a matter of great concern.

Mr. Murungaru: Mr. Speaker, Sir, it would be more appropriate if the Chair obliged and allowed me to bring a comprehensive Statement on what is happening in terms of police reforms. This will be more informative, both to the House and the public at large. I can do that by Tuesday, next.

Mr. Speaker: First, Mr. Sambu's Question will stand. If whatever evidence Mr. Sambu has is given to the Minister in advance, it will help him and the public. Secondly, as I have stated from the Chair, I will go out of my way to assist Ministers to make Ministerial Statements. So, Dr. Murungaru, if you will be ready on Tuesday, I will give you the opportunity. However, that does not waive Mr. Sambu's Question.

(Question deferred)

SONGA LOCATION

(Mr. Ngoyoni) to ask the Minister of State, Office of the President:-

(a) Is the Minister aware that on 13th April, 2004, in Leiyai Area of Songa Location, Marsabit District, two school boys, namely, Libano Lito (11 years) and Wako Wario (17 years) were gunned down by unknown assailants?

(b) How many suspects have been arrested in connection with the incident?

Mr. Speaker: Mr. Ngoyoni not there? The Question is dropped.

(Question dropped)

ISSUANCE OF CERTIFICATES
OF GOOD CONDUCT

Mr. Wamwere: Mr. Speaker, Sir, I beg to ask the Minister of State, Office of the President, the following Question by Private Notice.

(a) Is the Minister aware that Mr. Daniel Kigochi Waimiri is unable to take up employment offered to him by Eldoret Express Company on 12th February, 2004, as he cannot obtain a certificate of good conduct?

(b) Is he further aware that the said certificate is denied on account of a charge that was filed against Mr. Kigochi (Nakuru Case No. CR769/163/93) which was later dropped by the State on 28th January, 1994?

(c) Given that Kenyans looking for employment have to furnish prospective employers with the above certificate, which former convicts and others who have had court cases against them cannot obtain, could the Minister consider withdrawing this requirement?

The Minister of State, Office of the President (Dr. Murungaru): Mr. Speaker, Sir, again, I am constrained to seek the Chair's indulgence. I have just received some information which is not conclusive from my officers. I would wish to request the Chair that I consult with Mr. Wamwere, so that we can discuss some of the facts coming out from this Question. I, therefore, request that the Question be deferred until Tuesday, next week.

Mr. Speaker: What is your reaction, Mr. Wamwere?

Mr. Wamwere: Mr. Speaker, Sir, this is the third time this Question is being deferred. If the Minister can assure the House that he will have the right answer by Tuesday, next week, I have no complaint.

Mr. Speaker: Very well. In the meantime, he has also asked to have a consultation with you. Anyway, I will defer the Question to Tuesday, next week.

(Question deferred)

DETENTION OF MS. RAPANDO'S BODY
BY MUKUMU MISSION HOSPITAL

Mr. Osundwa: Mr. Speaker, Sir, I beg to ask the Minister for Health the following Question by Private Notice.

(a) Why is the body of Ms Isabella Sela Rapando being detained at St. Elizabeth Mission Hospital Mukumu, Kakamega District, six weeks after she died at the hospital?

(b) Could the Minister order the release for burial of the said body to ease the anguish of her parents?

The Assistant Minister for Health (Mr. Konchella): Mr. Speaker, Sir, I beg to reply.

(a) The body of Ms Isabella Sela Rapando, who passed away at St. Elizabeth Mission Hospital Mukumu on 17th March, 2004, is still at the hospital because her relatives who were last at the hospital on 18th March, 2004, have not got in touch with the management since then.

(b) It is not appropriate to order release of the body since admission of the patient was a private arrangement between the relatives of the deceased and a private hospital. The hospital management is, however, willing to negotiate the hospital bill with the deceased's relatives with a view to realising it to them when they show up at the hospital.

Mr. Osundwa: Mr. Speaker, Sir, the father of the deceased is an ex-prison warder, who has been chasing his retirement benefits from the Ministry of Home Affairs and each time he comes to Nairobi, he is told the cheque would be ready the following week. He has gone to the hospital and pleaded with the authorities to release the body, so that when he gets his benefits from the Ministry of Home Affairs he pays the bill. So far, this has not yielded any fruits. Two weeks ago, we were told that the Government pays ex-gratia for its ex-employees. Why can the Government not pay ex-gratia to this former prison warder, so that he pays the hospital bill and gets the body of his daughter for burial? We have seen the Government wasting money by guarding even concubines, who have been disowned by people here.

Mr. Konchella: Mr. Speaker, Sir, the hon. Member can take up that issue with the Ministry of Home Affairs to help the---

Mr. Wanjala: On a point of order, Mr. Speaker, Sir. I think the Chair heard when Mr. Osundwa, while asking a question, insinuate that there are concubines whom the Government has provided with security and a lot of money. He said that, that has been done by people who are among us. Could he substantiate?

Mr. Speaker: What are you talking about?

Mr. Wanjala: Mr. Speaker, Sir, you heard Mr. Osundwa insinuate that an hon. Member here has provided a concubine with Government security. Who could this be? Can he substantiate? It is a very serious allegation that the Government can provide concubines with security guards.

Mr. Speaker: I never heard this issue in the first place. But is there a law against it? Mr. Osundwa, did you say what you are alleged to have said?

(Mr. Wanjala stood up in his place)

Order! Mr. Wanjala, you had better relax completely.

(Laughter)

Mr. Osundwa, did you say that?

Mr. Osundwa: Mr. Speaker, Sir, I am pleading with the Government to help settle the hospital bill for an ex-prison warder, who lost his daughter, which is just Kshs100,000. I mentioned that early this year we read in the Press that the President had his own concubine called Mary Wambui, and we see public vehicles---

Mr. Speaker: Order! I think this House deserves more dignity than that. Mr. Osundwa, you are being totally unconcerned about the dignity of this House. This House has dignity. If you do not have your own, do not bring indignity to the House. We will not tolerate that kind of talk. Will you please apologise to the House?

Mr. Osundwa: Mr. Speaker, Sir, I withdraw and apologise to the person named.

(Loud consultations)

Mr. Speaker: Order, hon. Members! If my recollection is right, I think we were discussing about this whole business of hospitals detaining bodies. I think at one time I did ask the Minister concerned to come and tell this House exactly what hospitals intend to do with dead bodies when money cannot be raised. So, Mr. Assistant Minister, have you got something to say about this particular issue?

Mr. Konchella: Mr. Speaker, Sir, as I said, this is a private hospital and the Ministry cannot impose decisions on private property. All public hospitals have been ordered not to detain dead bodies. They should charge what is due and allow owners of the deceased to look for ways of clearing hospital bills. In this particular case, the Provincial Medical Officer (PMO) has already contacted the hospital, which has asked that the family meets the management so that the body can be released.

Mr. Sirma: On a point of order, Mr. Speaker, Sir. Last year I brought to this House a similar case about Mr. Ndung'u of Eldoret. The same Assistant Minister promised to release the body and promised that he would have a policy on what to do with dead bodies. The Assistant Minister is saying again here that they are making arrangements to inform the hospital. How long will it take for this information to reach the hospital?

Mr. Konchella: I think the hon. Member must have been thinking about something else. I did not say that at all. In the case of Mr. Osundwa, I said that the PMO has contacted the hospital and the family has been asked to go and discuss its problem with the hospital management, so that they can collect the body. As far as the Ministry of Health is concerned, instructions have been issued to every public hospital that they should not detain any dead bodies.

Mr. Mwenje: Mr. Speaker, Sir, as you have rightly said, this is an issue that keeps cropping up here literally every other day. The Ministry is now calling a workshop to discuss the proposed National Social Health Insurance Scheme (NSHIS). Could he now consider including payments of all such cases of dead bodies, which cannot be released from hospitals, in the proposed NSHIS, so that this problem can end once and for all?

Mr. Speaker: Mr. Assistant Minister, what do hospitals ultimately intend to do with these dead bodies?

Mr. Konchella: Mr. Speaker, Sir, before somebody dies the hospital has to spend money to treat them. Hospitals want to be paid that money, so that they are able to buy more drugs to treat more patients.

Mr. Mwenje: On a point of order, Mr. Speaker, sir. You interjected and you know your powers are so enormous that the Assistant Minister will first answer your question. He has not answered the question I asked as to why he cannot use the NHIF to cater for such cases, and also ensure that future cases will be covered by the proposed NSHIS.

Mr. Speaker: Supposing the dead were not members of NHIF?

Mr. Mwenje: Mr. Speaker, Sir, you do not have to be a member.

Mr. Konchella: Mr. Speaker, Sir, the Bill on the proposed NSHIS will come to this House, and hon. Members will be free to make their proposals when discussing it.

Mr. Speaker: Hon. Members, that marks the end of Question Time.

Mr. Bahari: On a point of order, Mr. Speaker, Sir. Could I ask my Question?

Mr. Speaker: Mr. Bahari, I am sorry. You will ask your Question on Tuesday, next week. It is now 3.30 p.m. and, therefore, the end of Question Time.

RESETTLEMENT OF FAMILIES AFFECTED
BY NCC DEMOLITION EXERCISE

(Mr. Bahari) to ask the Minister for Local Government:-

- (a) How many families have been rendered homeless as a result of the recent demolition of homes in Nairobi by the City Council?
- (b) What measures does the Minister have in place to ensure that the affected families are given alternative settlements?

(Question deferred)

Mr. Sasura: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: What is it?

Mr. Sasura: Mr. Speaker, Sir, last week the Chair ruled that the Ministry of Justice and Constitutional Affairs brings to this House a Ministerial Statement on the situation at the courts. There are no magistrates in our courts. The Minister was ready to give this information today.

Mr. Speaker: Mr. Sasura, it is now 3.30 p.m. I am sure that, that is not a matter that will break the earth. It can wait for Tuesday, next week. So, you can renew your request then.

Next Order!

COMMITTEE OF SUPPLY

MOTION

SUPPLEMENTARY ESTIMATES
(RECURRENT AND
DEVELOPMENT) 2003/2004

The Minister for Finance (Mr. Mwiraria): Mr. Speaker, Sir, I beg to move:-

THAT, a sum not exceeding Kshs7,117,230,446, be granted from the Consolidated Fund to meet expenditure during the year ending 30th June, 2004, in respect of Supplementary Estimates of the Financial Year 2003/2004 (Recurrent), having regard to the proposed reduction of Kshs10,832,815,946 therein appearing.

THAT, a sum not exceeding Kshs1,241,437,632, be granted from the Consolidated Fund to meet expenditure during the year ending 30th June, 2004, in respect of Supplementary Estimates of the Financial Year 2003/2004 (Development), having regard to the proposed reduction of Kshs2,703,467,810 therein appearing.

Mr. Speaker, Sir, His Excellency the President's consent has been given to move this Motions.

It is now ten months since the budget for the Financial Year 2003/2004, was presented to this august House. At that time, we estimated that the economy would grow by 2.3 per cent per annum in the Financial Year, and that the Government [**The Minister for Finance**] collection of ordinary revenue would reach Kshs215 billion for the whole year---

COMMUNICATION FROM THE CHAIR

LIMITATION OF DEBATE ON
SUPPLEMENTARY ESTIMATES

Mr. Speaker: Mr. Mwiraria, sorry for interrupting you. I want to give a little guidance on this matter because I have just noticed that the usual information at the end of this particular Motion would have been there to give timing procedures. Mr. Mwiraria, you have 30 minutes to make your contribution. Every other hon. Member has ten minutes. I wanted you to understand this so that you proceed with that knowledge, in order for you to work within that framework.

(Applause)

The Minister for Finance (Mr. Mwiraria): Thank you, Mr. Speaker, Sir. I was saying that at the time I read the Budget, we expected that, ordinary revenue collection was going to reach Kshs215 billion for the whole year. Meanwhile, the total expenditure was to reach Kshs314 billion, including the Consolidated Fund Services. We now realize that the economy grew, and is growing at a much lower rate than anticipated, and that revenue collection will not reach the level we expected at the time of the Budget presentation. In fact, we expect a revenue shortfall of Ksh3 billion partly, and this I really want to emphasise, because of non-realisation of receipts from the third mobile service telephone operator.

In the course of the year, we were expecting substantial support of Kshs28 billion from our development partners. However, so far, only Kshs8.7 billion has been received, leaving a shortfall of Kshs20 billion. Despite this drawback, both Recurrent and Development Expenditures have continued to be effected irrespective of the shortfall in revenue and in donor support. The Supplementary Estimates for the Financial Year 2003/2004 for Recurrent and Development Expenditure have been prepared against this background. I would now wish to dwell on the areas where there has been major expenditure changes.

Mr. Speaker, Sir, regarding Recurrent Expenditure, the first shift has been regarding the review of Administration Police, Prisons and National Youth Service (NYS) salaries and allowances in February, 2004. This affects the Vote of the Office of the President and the Office of the Vice-President and Ministry for Home Affairs. Here, we have provided for an increase of Kshs6,842,000,000.

Item two affected by the Recurrent Expenditure includes the various commissions and tribunals set up to deal with certain Judicial inquiries which have also necessitated an increase of Kshs89.2 million.

Third, increases in foreign service allowance due to currency fluctuations particularly in Europe, thus affecting our foreign service personnel, increase in local staff salaries and allowances in our missions abroad, procurement of vehicles, passage and leave expenses for diplomatic personnel, payment of rent and rates; both residential and non-residential in our missions abroad, purchase of equipment for our missions, and increase in provisions for operations and maintenance. For this, we have provided an additional Kshs577 million.

Fourth, review of terms and conditions of service for the staff of the Kenya Civil Aviation Authority (KCAA), where an additional provision of Kshs500 million has been put in.

Fifth, provision of security services and other expenses for the Kenya Wildlife Service (KWS). For this, Kshs165 million has been provided as an addition.

Finally, there is provision for Kenya Broadcasting Corporations (KBC's) recovery programme and for minor works at the Kenyatta International Conference Centre (KICC). A total of Ksh80 million has been provided for this purpose.

Mr. Speaker, Sir, regarding Development Expenditure---

(Loud consultations)

Mr. Speaker: Order, Members! We simply cannot have Mr. N. Nyagah sitting on the Government side and another hon. Member on the Opposition side and they are holding a *baraza* of their own! Now, please, let us have some order. Proceed, Mr. Mwiraria!

The Minister for Finance (Mr. Mwiraria): Mr. Speaker, Sir, regarding Development Expenditure, Kenya is still continuing with its Civil Service Reform Programme, in order to down-size the Civil Service and have in place a competent personnel for efficient and effective service delivery. To achieve that, additional resources amounting to Kshs82 million have been factored in the Vote of the Directorate of Personnel Management (DPM).

Secondly, as I informed this august House a few days ago, the Government has decided to assist the family of the late Vice-President and Minister for National Reconstruction, Mr. Wamalwa, who died in office by acquiring two properties; one in Nairobi and one in Kitale. In the Supplementary Estimates for the year 2003/2007, a sum of Kshs47 million has been included in the Vote of the Office of the Vice-President and Ministry of Home Affairs to complete the purchase of the two properties.

Thirdly, hon. Members will recall my statement to this Parliament, in response to a Question on the Constituency Development Fund (CDF). In the Supplementary Estimates before the House for the year 2003/2004, Kshs1,260,000,000 has been included in the Development Vote of the Ministry of Finance to be disbursed to the CDF.

(Applause)

That will be done as soon as we complete the legal formalities stated out in the CDF Act. I want to assure the House that we are working round the clock to complete those formalities.

Mr. Speaker, Sir, in addition, the Government has decided to acquire Bima House. The funds allocated to purchase that building shall be applied towards payment to the life policy holders, whose funds sunk with the former National Assurance Company of Kenya. I believe that is a prudent move and a timely decision. In the Vote of the Ministry of Finance, Kshs620 million has been provided for that purchase. The benefits that will accrue with the acquisition would be to ensure that all the Ministry of Finance departments, including, particularly, the Pensions Department, are housed together. That would be able to save money which we are spending on leasing and renting buildings. At the moment, the amounts that we are spending are so large, that we could buy a building like that within four years.

Fifth, agriculture ranks first on the Government priorities regarding the proposed recovery of our economy. For that reason, we have provided an additional Kshs769 million to be extended as seasonal credit loans to farmers through the Agricultural Finance Corporation (AFC), in order to improve food production and help in poverty alleviation. That amount will be applied throughout the country and we are certain that it will go a long way in assisting agriculture.

Mr. Speaker, Sir, the Water Act, 2002, brought with it a number of requirements to be fulfilled, in order to make the Act operational, and enable it to discharge its mandate--- Additional funds amounting to Kshs75 million have been provided to make the Water Regulatory Board and the Water Resources Management Authority operational. We feel that we need to make those institutions operational in order to, not only implement, but also enforce the Water Act, 2002.

Mr. Speaker, Sir, finally, hon. Members are aware that adverse publicity arising from the travel advisories issued, particularly, by the United States of America, have had very devastating effects on tourism in this country. To counter those advisories and market our country as a safe tourist destination, the Government negotiated with the European Union for a grant of Kshs250 million for publicity. On our part, we are including in the Supplementary Estimates, a sum of Kshs220 million to add to the European Union amount, so that we could publicise Kenya in Europe.

Mr. Speaker, Sir, as I speak now, I would like to say that the European Union funds, which have already been spent, have had a marked improvement on tourism to Kenya. Since the beginning of the year, tourism has gone up by over 10 per cent. We expect this improvement to continue in the months that follow.

Mr. Speaker, Sir, adoption of Motions before the House, which are seeking Parliamentary sanctions to enable me to fund the new services that could not be postponed to the next financial year, would be of great assistance to running the economy and providing services to the people of this nation. The Motions also seek to shift allocations from low to high priority areas and, finally, to increase or decrease provisions for certain services where that is apparent. That would also be as a result of donors increasing or reducing their total allocation for a programme, or phasing it out if it is not likely to be implemented in this financial year.

Mr. Speaker, Sir, I would like to appeal to hon. Members to pass these two Motions, so that additional funds can be made available for the purposes that I have stated above.

With those few remarks, I beg to move.

Mr. Speaker: Just a correction, Mr. Minister! They are Resolutions!

The Minister for Finance (Mr. Mwiraria): Mr. Speaker, Sir, I have to be forgiven. His Excellency the President has given his consent to these two Motions.

I beg to Move.

Mr. Speaker: These two Resolutions!

The Minister for Finance (Mr. Mwirari): These two Resolutions!

Mr. Speaker: Anybody wishing to second? You know, if you have no seconder, it collapses! Anybody wishing to second? Prof. Anyang'-Nyong'o!

The Minister for Planning and National Development (Prof. Anyang'-Nyong'o): Mr. Speaker, Sir, I rise to second this resolution. My colleague, hon. Mwiraria, has stated that these two resolutions are to enable the Government to carry out important Recurrent and Development expenditures that will be important in furthering our economic recovery process. As you know, this economy is coming out of a long period of recession which has been extremely difficult to pull out of, given the fact that the productive base of this economy had been eroded and that the spirit of the Kenyan people to redouble their efforts for economic recovery require time and that the Government has had to carry out extensive measures of reform at the administrative level to straighten things, one in the Civil Service, which has been quite deep, secondly, in the security forces which continues to be carried out and thirdly, in the Civil Service still continues to be carried out. As you also know, these are measures that cost resources but do not necessarily pay back immediately. There are, therefore, important investments in the reform process that will definitely realise results eventually. But we beg the indulgence of this House to continue supporting the Government in undertaking such measures while at the same time, focusing on getting resources for boosting the productive base of our economy.

Mr. Speaker, Sir, eventually, I am quite sure that the Minister for Finance, in the Budget this coming financial year, will be in a position to put before the House concrete measures for getting sufficient development resources for the economy to move on. But it is important that, while doing that, the Government found it necessary and, indeed, urgent, to put some money into the

Constituency Development Fund because this is one of those measures where the money will go directly to the grassroots to enable ordinary *wananchi* to better their lives.

At the same time, the Government also found it necessary to spend substantial resources in education so that Kenyans born may not be disadvantaged by not going to school.

Mr. Speaker, Sir, the Minister has said that it is important to invest in agriculture as a vital part of this country's productive base. You do realise that the Kenyan Government, by African standards, has been doing very well by spending 13 per cent of its Budget on agriculture. The NEPAD average for the continent as a whole is only 10 per cent. We are not saying that this is enough; we would like to spend more. But, in order to spend more, we must have a Government that can deliver, we must have a Civil Service that can run extension services well and we must have the necessary physical and social infrastructure to deliver.

In these Supplementary Estimates, the Minister for Finance has gone a long way to keep the Estimates small but to make sure that the money carries the Government effectively up to the month of June when this House will approve or begin debating and approving the Budget.

It is important that the measure the Minister for Finance has taken to buy Bima House will save the Government a lot of rent and will make sure that Government offices which are currently very crowded, and particularly the Treasury, get more space and that our civil servants are not demoralised by not having sufficient office space to work in.

Having said all that, there is a general appeal that I would like to make to Kenyans. This is our country. We have no country other than this one. We have had inherited problems which we are trying to tackle and, indeed, we are determined to overcome these problems. But we, ourselves, must generate confidence in ourselves. We know that, since 1996, Kenya was not on IMF aid programme, but we have restored that, but that is not an end in itself. It is a means to an end. The IMF is like the Central Bank of the whole world. It needs to give its member states credit-worthiness so that they can play in the international money market, both the commercial market and the concessional loan market.

When the Kenyan Government, under the leadership of the Minister for Finance, struggled very hard to restore this country's position in the IMF, it was not to sell the soul of this country to international financial institutions. It was to make sure that we participate in globalisation under the rules of the game that are acceptable to all members. But we must, as an economy, rise beyond that and ensure that, from now on, we do guarantee access to markets for our goods and services at prices that will make sure that we earn enough to finance our development. We must ensure that we have access to the international money market so that we can borrow at terms that can finance our development.

Mr. Speaker, Sir, it is good business practice for anybody running a business to have access to credit at both personal and company level. Likewise, it is good business practice when a government is being run as a corporate body, to have access to money markets at terms that it can afford. I have seen in the Press some populist notions that this Government, by having access to international money market, through the rules of the game that are acceptable under globalisation, is not thinking out of the box. There is no reason whatsoever, to conclude that this Government is not thinking out of the box, simply because it has returned Kenya to IMF terms and belonging. That is nothing other than being in a position to have credit-worthiness to participate in the international money market.

Mr. Speaker, Sir, we do realise and recognise, and under the Economic Recovery Strategy, that unless we revamp our infrastructure and make it viable, this economy will not grow. Therefore, our strategy is to invest substantially in the infrastructural rehabilitation so that the tea grower can get the tea to the market, the milk man can get his milk to the market, the business person can go

from point A to B, making business deals, so that you and I can move from our homes to the work place, safely. It is vital that we invest in infrastructure. But we must develop our infrastructure so as to be competitive with other forms of infrastructure, the world over. That is why we have accepted that telephony is too expensive in this country and we are taking measures to reduce the cost of telephony. We have accepted that energy is too expensive in Kenya by international standards and we are taking measures to reduce energy costs. We have accepted that transportation is too expensive by road and that is why we are investing in our roads so that they can be safe, sound and competitive. We have accepted that maritime transport is expensive and that is why we are investing in making sure that the port of Mombasa receives as much business as possible to ensure that goods coming into this country are processed fast at the port and reach their destinations, so that transportation costs are not then, loaded over to the consumer or to the business persons.

These steps have been taken and, if you read the papers, you will realise that, over the last two or three months, and even more, there have been many tenders announced for the implementation of these infrastructural rehabilitation and expansion programmes. We have done this in the full knowledge of the Kenyan people and stakeholders.

Mr. Speaker, Sir, we would like this National Assembly to be seized of this information and when we are debating such Motions, we debate them from the point of view of information and not from the point of view of speculation.

This Government relies on hon. Members of this House to support us and help us in delivering service to the Kenyan people. Therefore, this Government is always prepared to bring to the hon. Members of the House---

Mr. Speaker: Order, Mr. Minister! Your time is up!

The Minister for Planning and National Development (Prof. Anyang'-Nyong'o): Mr. Speaker, Sir, with those few remarks, I beg to second.

(Question proposed)

Mr. Billow: Thank you, Mr. Speaker, Sir. The concern of our financial probity and discipline in this country has since been a major concern to Kenyans since this Government took over. The expectations of the Kenyan people since this Government took over has been of efficient management of resources, accountability and transparency, which are not as expected. Many Kenyans now speak out loudly; that there is no discernible improvement in delivery of public service and in prudent management of the financial resources of this country. When this Government took over, we expected that the role of Parliament, particularly with regard to control of expenditure, would be enhanced and that this Government would, indeed provide, for example, the quarterly Budget reviews on time, or they would carry out performance expenditure reviews on time. However, the tradition has not changed. These quarterly reviews are now being provided to Parliament more than between six and nine months after the due date.

[Mr. Speaker left the Chair]

*[The Temporary Deputy Speaker
(Mr. Ethuro) took the Chair]*

Mr. Temporary Deputy Speaker, Sir, we have also continued to see delays in Exchequer releases from the Treasury which has affected a number of districts. You will find projects that were budgeted and voted for in June last year have today not commenced because of delays in the release

of Exchequer issues by the Treasury. We also expected, in terms of accountability, that Parliament will be involved, particularly with regard to loans. We expected that the Treasury will seek approval of Parliament in loans from donors. We have not seen any significant change in that. However, some of the times we have seen expenditures which have been incurred because of political expediency which at times have been camouflaged in magnanimity.

Mr. Temporary Deputy Speaker, Sir, my main concern is the continuing questions that have been raised by members of the public on wastage and inefficiency in Public Service. We still continue to see a lot monies being spent on purchases of motor vehicles. We see a lot of expenditures that we think this country can ill afford. How can a country that goes out begging for resources continue to spend so much money at the expense of programmes, which we believe are priorities for this country? There are many parts of this country today, like in the whole of northern Kenya and the ASAL areas, where access to water supply is less than 10 per cent. Yet we find our priorities are not right.

The Minister indicated that he would need an additional Kshs89 million for task forces, which brings the total expenditure on task forces and tribunals this year alone to close to Kshs360 million when many parts of this country still require basic services.

Another area of concern is the emerging corruption in the Government. On many occasions, Kenyans have raised concern that corruption is still rampant in the Public Service. We have been told that it is because of those public servants who have been taken over from the previous Government. However, some of the major issues that have been raised in this country regarding corruption will reveal that there is no corruption of the magnitude that has been raised which can go on in the current Public Service without those at the top of the Ministries not being aware. When efforts have been made to table evidence of corruption, we have not seen the kind of response that Kenyans expected when this Government took over. The efficiency and speed with which action would be taken, especially against those who are at the top level, creates an impression in the minds of the public that there are sacred cows as there have always been in the past regimes.

Mr. Temporary Deputy Speaker, Sir, the number of annulled public procurement tenders in this country, in the last one year, is a pointer to the efforts that are being made by those in the management of Public Service and institutions to try and make money out of those contracts. I think the Government should not take the fact that the Complaints Board at the Treasury has annulled tenders to be a positive thing. The fact that a lot of efforts are being made to try and circumvent the procurement procedures is a pointer to the fact that there is corruption and action needs to be taken, particularly against anyone who flouts the procurement rules. The Anti-Corruption Act is very clear on the expanded meaning of corruption. It includes an attempt to try and influence procurement of goods and services. The Government must take action to weed out corruption.

On the side of the Budget, my concern has been on the increasing budget deficit. The Minister mentioned that there was a provision from donors of Kshs28 billion in the Budget and he is only able to receive about Kshs8.7 billion leaving a gap of Kshs20 billion. However, the Minister has not explained to the House how he intends to close that gap in the Budget.

However, recent indications in financial circles are that the Government is borrowing significantly from the domestic market. We have seen the trend on the Treasury Bills or Treasury Bond rates. The interest rates are going up. That is an indication of the increase in borrowing by the Government, which we believe is partly because of failure by the donors to fulfil their pledges. When the Minister is responding, he needs to clarify why the donors are not fulfilling their pledges.

We have been told that the Consultative Group Meeting was very successful and that the Government received pledges in excess of US\$4 billion. Is it because the conditions that have been set by the donors have not been met by the Government? If so, what are some of these conditions

that have not been met by the Government? It is important that Parliament is taken on board with regard to the conditions that have been agreed upon between the Government and the donors.

Mr. Temporary Deputy Speaker, Sir, it is important to note that revenue collection, for the last nine months up to 31st March, indicates an improvement, and the targets having been met. I think it is important that the Government minimises expenditure, particularly expenditure which is not justified, and which is not a priority, so that we concentrate on spending from the resources that we have. Over-reliance on donors has in the past created the same problem. We make provisions in the Budget and we find that the donors are not forthcoming, and we end up with Budget deficits.

Mr. Temporary Deputy Speaker, Sir, the Recurrent Estimates that have been included in the Motion show a significant increase under the Office of the President; of over Kshs4 billion. I note that a significant amount of that sum includes provisions for the Administration Police and the Kenya Police. I believe that this is the recent increase in the salaries in the police force. Given the concern of insecurity in all parts of the country, it is a welcome move that the Government has provided for the additional salaries. I believe that there is need to review the management structure of the police force, so that security can be improved in this country.

Mr. Temporary Deputy Speaker, Sir, there was a provision of Kshs5 billion for harmonization of the salaries of civil servants. At that time, we understood that the salaries of civil servants would be reviewed. That amount has now been removed from the Estimates. That is an indication that the Government does not intend to review the salaries of civil servants. My belief is that it is because of the concern by donors over the increasing wage bill. It is important for the Government to offer some incentives, so that the salaries of civil servants can be increased.

With those remarks, I beg to support.

Mr. ole Ntimama: Mr. Temporary Deputy Speaker, Sir, I want to say, at the outset, that I support the Motion.

Mr. Temporary Deputy Speaker, Sir, one does not need to be a financial wizard or an expert in economics to see that these Supplementary Estimates do not reflect a growing economy. There is a big Budget deficit, which has forced the Government to borrow internally. Also, the interest rates are not going down. That is a clear indication that the economy is not performing at all.

Mr. Temporary Deputy Speaker, Sir, the world over today, nations are judged by the performance of their national economies, and not by any other measure. A country is not judged by the number of tanks or aeroplanes that it has. It is measured by the way her economy is performing. For the last 40 years, the growth of the economy of this country has been on and off. Our economy has never been consistent in performance. This nation has been the pivot of development in the Eastern Africa region. It has been a reference point in the region in terms of development and the growth of the economy. Where are we today?

The economies of Tanzania and Uganda were very small, but they are now growing very fast. In fact, they are attracting direct investment from overseas. I do not know whether investors and donors are happy about the performance of our economy. They are not amused about what is currently going on in this country. I think they are not ready to release funds to Kenya.

Mr. Temporary Deputy Speaker, Sir, if a country does not have infrastructure, there will be no development. You can talk about roads, telephone services and some of those things that go to improve the infrastructure of the country. In the Supplementary Estimates, the provision for roads under the Ministry of Roads, Public Works and Housing is a token of only K£1,000.

I have, on many occasions, stood here and tried to impress on the Minister for Roads, Public Works and Housing, and the Minister for Finance to allocate some funds for the construction of Mau-Narok-Nakuru Road. If that road is developed, it will help to improve the economy of the whole country. That road passes through a high potential area. If that road becomes motorable, it

will impact positively on the economy of this country. Since the days of Gatende, nothing has been done. We still have so many Gatendes who pretend that they are allocating money to that road. We do not know where the money goes.

Mr. Temporary Deputy Speaker, Sir, we do not notice that if the Mai Mahiu-Narok-Mara-Trans Mara Road is improved, it can boost tourism. However, the Government has not allocated funds for that road. There are other areas which are being developed where every homestead has a tarmac road leading to their own homes. However, in some areas, like in my constituency, we have been left to the mercy of the Almighty God.

Mr. Temporary Deputy Speaker, Sir, I realise that a lot of money has been allocated to the tourism sector. There is a lot of talk about marketing tourism and doing many other things. I do not think that the Minister for Tourism and Information has gone into the core of the problems affecting that sector.

The problem we have today in our tourism industry, is that of whitemen and yellow men who are controlling it, and it is a pity. Most of the money has been syphoned out. I have read in today's newspapers that the Government has employed an expert, based in Britain, to try and find out where most of the money has gone to recently. Why does the Government not also include the money that has been syphoned out by white people and *Wahindis* from this country, and left us bare? I know that is in billions of shillings and if it was returned, and I hope the Kenya Revenue Authority is taking this seriously, it would improve the economy of this country in a big way.

Mr. Temporary Deputy Speaker, Sir, I realise that there is so much talk of corruption in television news headlines, newspapers and from the grapevine. Again, it is corruption from top to bottom. It is a pity that the NARC Government, when it came to power, pledged and promised the *wananchi* that this was going to be a country that will not tolerate corruption. But what is happening now? We are losing the war against corruption. It is a pity because we all know that all these corrupt individuals, whether in the past or present regimes, are killing our society. The money they steal and embezzle would have helped to build our schools, roads, and to purchase more drugs for our hospitals. Generally, it would have helped to bring the level of the economy of this country up, and to reduce poverty in this country. The level of poverty now is very high again. The people who are living below the poverty line are increasing everyday in most areas, and this is because people are stealing our resources. I realise that most people have been caught up again in the game of embezzling, stealing and corruption. I know the President and a few people like the Permanent Secretary, Mr. Githongo, definitely, are still fighting this vice, but they might be lone rangers. I do not know whether they have got anybody to assist them. Probably, my friend here, Mr. Mwiraria, too, still has not got any scandal around him, but they are very few. What are we going to do? Anything to do with stealing and embezzling requires a deterrent measure. But where is the deterrent measure? If these people do not get punished, then this corruption will continue for a long time. This country will never come up again. For the last 40 years, we have been at the bottom of the economic ladder. We will probably go under and our neighbouring countries, like Tanzania and Uganda, will laugh at us. They are our neighbours and friends, but, really, they were not anything to measure our economy with. Recently, I went to Tanzania. Arusha Town is very clean and the roads are so good that you can drive from Arusha to Dar-es-Salaam relaxed.

Mr. Temporary Deputy Speaker, Sir, with those few remarks, I beg to support.

Mr. Omingo: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this chance to contribute to these two resolutions. When the Minister was moving this Motion, he did tell this House that he fell short of Kshs20 billion in donor financing. I want to remind him that the failure to hit this target is not exclusively because of the donor laxity, but his technocrats. Two days ago, we were sitting and taking evidence from some Ministry and the simple reason why we do not access

donor funding is simply because somebody did not identify the people to be trained and the trainers; a simple and basic exercise a technocrat could have done to identify the trainees and the trainers. As a result, about Kshs100 million was lost. Therefore, it is not a donor issue but laxity on the part of the technocrats. This is all because there is nothing put in place for the technocrats, as a cut, to expedite those kinds of conditionalities for purpose of receiving donor aid.

Mr. Temporary Deputy Speaker, Sir, when the Minister talked about economic growth, and I sympathise with him because he is a very honest Minister in Government, he forgot to address the issues that made the economy actually grow less than we targeted. It is a simple reason; we have had a lot of political bickering in the NARC Government. Who can come to invest in a house where there are squabbles? These are some of the basic issues that we need to address so that we can attract investors and people can get back to work. Kenyans are not working because the front page of every newspaper nowadays has got one faction talking about the other; people who are not honest with each other. They are witch-hunting and changing their own interests. How do you invest and help Kenya grow with the kind of insecurity within the country? These are some of the issues we need to address.

Mr. Temporary Deputy Speaker, Sir, the Minister talked about infrastructure. Since the Government took over, I have not seen anything moving because of issues like procurement procedures and so on. These are the factors that are hampering our growth, and they can be addressed by any simple economy, let alone the gigantic brain the Government has to address some of these issues. It is laudable that the police got salary increments; thank God, we hope it will work. But, again, can that policeman with a salary increment run on foot to arrest criminals? He cannot do it without a vehicle. That is an issue that needs to be addressed to improve security.

Mr. Temporary Deputy Speaker, Sir, most importantly, the issue that is close to my heart is the financial impropriety of this Government. I say this with a lot of emotion because we witness, everyday, the spill-over in terms of the revenue that the Government collects because of extravagance. We see flashy vehicles being driven all over town. Some four-wheel-drive vehicles are even running private errands over the weekends. This is laxity and extravagance in terms of expenditure; an issue that we cannot afford. When the Minister comes here and says there is a deficiency, the deficiency really comes in because of extravagance. Why can we not live within our means? Why can the person who sits in an office, for example, and does not go to the rural areas to look for votes, not get a saloon car as opposed to a four-wheel-drive vehicle they have been given? We must control this expenditure. Let us try and tailor the jacket according to the sizes of our bodies. That is when we can make sense about economic recovery.

Mr. Temporary Deputy Speaker, Sir, we also have seen issues of lavish spending. You want to celebrate 100 years of poverty and tell people to celebrate too; a very primitive thing! What are we celebrating? What are we happy about? People are mourning! Kenyans have actually used their blood and sweat to produce revenue for this nation, and yet, somebody wants to smile and say, they want to spend money to celebrate actually nothing. I wish they participated in that growth for them to celebrate. What are you celebrating? It is pathetic and some of these things are very basic. A very simple economy would address these issues, and Kenya would be different. But I also sympathise that the Minister inherited the technocrats in service who were used to particular ways of doing things, and they have actually converted most of our Ministers in Government today. They are now converted and singing the tune of the previous regime and technocrats. It is happening. The blue-eyed boys of the previous system are now the better boys today, simply because they have learnt the trick of stashing some nice loot and goody goodies into some people's pockets. It is a shame and we know it, but time will tell. Sooner than later, people are going to account for their own sins. But most, importantly, there is something that struck me when I was going through the Estimates. How

can a Ministry actually commission payment of pending bills? This is an issue that even the Public Accounts Committee (PAC) has said; that all pending bills are fictitious; until ratified, do not pay! However, they are paying. If you look at page 80, there is a project in Oloitokitok where Kshs103 million is to be provided to pay for a pending certificate. This is a criminal thing. The Members of the PAC visited that project. The cost of the project was Kshs88 million. The same project was varied to Kshs512 million which has already been paid. The pending bills which were estimated at Kshs612 million worked downward to Kshs88 million. The Minister, in the Supplementary Estimates, is giving those people Kshs103 million illegally. This must stop. If this Government is serious in the delivery of service, this must stop. The Oloitokitok Project is a sham and a shame. If the Government dares to pay, it is only the International Court of Justice which will arbitrate this matter. This is criminal and immoral. The Government should not pay that money.

Mr. Temporary Deputy Speaker, Sir, the Government has talked about acquiring Bima House. Could it not wait? What was so urgent about buying Bima House, unless somebody had a 10 per cent or 15 per cent cut? Why does the Government have to buy Bima House today, when people are suffering because of poverty? Why could it not continue paying rent and wait for the main Budget to factor that provision in, if it has the funds? These are some of the questions which arise on the Kshs620 million. The International Monetary Fund (IMF) conditionalities are not a mirage to achieve. But as I said, the Minister must actually prune his technocrats if he wants to deliver services to Kenyans. Part of the reason why the Government wants this money is that it wants to renovate Kenyatta International Conference Centre (KICC). In fact, the KICC is a windfall to the Government because it was not receiving the rent it now receives. Why does the Government not use that rent to renovate the building instead of requesting for more funds from public coffers? We are in the red. Mr. Michuki, who is a very good economist, knows that we are in the red. As part of collective responsibility, could Mr. Michuki not advise the Government? Why does the Government want to spend more money on renovating the KICC which is a white elephant? KANU had "eaten" it, and I thank the Government for repossessing it. But could the Government not use the rent realised from the building to renovate it? The Government should accumulate the rent obtained from the KICC for two to three months and use it to repair the building. If the Government does that, it will be paid higher rents, of course, to improve its welfare.

I am not too sure whether this Government actually uses the brains it has, for example, Prof. Anyang'-Nyong'o, in the Cabinet. I am sure Prof. Anyang'-Nyong'o could have advised it. On privatisation, Prof. Anyang'-Nyong'o was even at the forefront in reversing the bloody issue that we were to have.

The Minister for Finance (Mr. Mwiraria): On a point of information, Mr. Temporary Deputy Speaker, Sir.

Mr. Omingo: Mr. Temporary Deputy Speaker, Sir, with due respect, let me be informed. I respect Mr. Mwiraria.

The Minister for Finance (Mr. Mwiraria): Mr. Temporary Deputy Speaker, Sir, I just want to inform the hon. Member that we collect rent from the KICC as Appropriations-in-Aid. Even if we were to use that money, we would still factor it in the Budget.

(Applause)

Mr. Omingo: Mr. Temporary Deputy Speaker, Sir, I would like to thank the Minister for that information. I knew it was a wise counsel. The Minister will escape the blame if he has factored that money in the Budget.

Mr. Temporary Deputy Speaker, Sir, I was saying that we can make laws for financial

impropriety or management, but if we have the same people who will apply them still in the Government--- Let me not call them thieves but people who were used to "taking", which is the normal word used in Kenya because you actually take from where you work. If we have the same people "taking" public funds, I am not sure whether we will come out of this quagmire. We shall write laws in the statute books which are not being applied.

Dr. Khalwale: On a point of order, Mr. Temporary Deputy Speaker, Sir. This is the fourth time the hon. Member is talking about technocrats and some Ministers being corrupt. Because he is so clear about that matter, could he substantiate, so that we can understand?

The Temporary Deputy Speaker (Mr. Ethuro): Dr. Khalwale, you are out of order!

Mr. Omingo: Thank you, Mr. Temporary Deputy Speaker, Sir, for protecting me. I cannot substantiate the obvious. I want to believe that Dr. Khalwale actually lives in Kenya; he did not come from outer space and he knows what I am saying.

I am saying that the Minister needs to organise his house. The manner in which the Government releases monies from the Treasury is pathetic. Oversight of these funds is not taken into consideration. If the Minister will achieve economic growth, he must re-organise his house. He must tighten the bolt and, if possible, have the technocrats overhauled. They are the cause of the Minister's failures.

Mr. Temporary Deputy Speaker, Sir, with those few remarks, I beg to support the Motion.

The Minister for Transport and Communications (Mr. Michuki): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this Motion, which is quite clear. Essentially, this Motion is about allocation of funds, rather than seeking leave for additional funds from the Exchequer. In other words, the purpose of this Motion is to seek Parliamentary veerment, so that our monies are moved from one Vote to another, with the resultant savings within the overall Budget of roughly Kshs5.2 billion.

The Minister was quite clear on the issues which have made him bring this Motion before this House. I feel that we should support him because, this being his first Supplementary Estimates, shows how much he wants to control expenditure and revenues. This is because it is not usual for many Ministers to make savings out of the Budget. The policies which have been translated in the Supplementary Estimates were enunciated in the Budget Speech. I do not think that there is any harm in trying to remind ourselves of the direction in which we intend to take this country for the betterment of its people.

I do not think that we have spoken enough in relation to the great success that this Government has made in the education sector, and particularly on primary education. Although we need not dwell on the education sector, we cannot fail at any given occasion, such as this, to refer or mention the success made on this sector. Neither can we forget to mention the great success that has been made in our judicial system.

Let me also touch on agriculture. One of the earlier speakers was, for reasons better known to himself, overemphasizing poverty rather than even encourage the poor people to come out of that poverty because that is our main objective.

Today, as I speak here, we know for a fact that maize farmers have never had it as good as they have had it this time. Maize is bought by the National Cereals and Produce Board at prices which have never been heard of in this country before.

It is the same case with those who grow wheat. The price of milk has improved. The intake of milk has increased. In fact, payment is instantaneous! It is paid on the date promised by Kenya Co-operative Creameries (KCC). As a businessman wearing another hat, I have been able to see resurgence of demand which is transmitted not only into consumption, but also into additional production. That can only come about because there is positive economic activity. Even the

turnover for small businesses is doubling! Even in the distribution business, one is distributing much more than before. That cannot be without explanation. Therefore, what I would like to say is that let us note successes where they occur.

Mr. Temporary Deputy Speaker, Sir, I am one of those people who have fought corruption over the years. That is because I do not believe in free things. One of the reasons why I did not agree with the previous Government was because of its habit of throwing things around, as if people could not be given opportunities to earn for themselves. But, in fighting corruption, we must also be sincere to ourselves. The sincerity that I am talking about is that where we know there is corruption, let us all join together and fight it! I am talking about those in the Opposition and the Government. That is because it will not be in the interest of this country. We have had experience with that in the past. It is not in the interest of this country that corruption should continue. Therefore, I am saying that it is not enough for anybody to stand up in this House, when the whole machinery of Government has been set free to deal with that problem, and actually talk as if he or she is praising corruption, rather than expressing the desire to end it! All of us know that we have institutions. We have the Minister for Justice and Constitutional Affairs, who is highly committed to the eradication of corruption. How many times have those who are saying there is corruption gone to him, sat down and discussed that? I know he is highly committed, just like most of us. Therefore, let us talk about facts and cases that we can actually prove and shame those who are involved in them.

(Applause)

Let me tell you one thing! Those who take interest in the economy of this country, will know that the issues that were going on at the Bomas of Kenya almost ended up ruining our economy. Whereas people went ahead saying that it was a healthy debate, on the other hand, they were actually putting this county into a lot of problems economically. Those who take interest in the stock exchange will see, if they study that graph, the kind of damage that was done with careless talk. I call it "careless" because it could have been discussed elsewhere, other than the newspapers, if it was as important as that. The capitalization at the stock market had been reduced considerably! But now, it has gone up and improved. I am, therefore, saying: "Let us own up to what we stand here and utter". Let us not, just like the Speaker said yesterday, try to catch the eye of the Press and the television while, at the same time, we are doing damage to this country.

With those few remarks, I beg to support.

Mr. Okemo: Thank you very much, Mr. Temporary Deputy Speaker, Sir. I would like to support the Supplementary Estimates as presented by the Minister. I would like to state a few concerns. The first concern is that the state of the economy, as we see it today, is such that it is a responsibility that goes beyond the Government. I think the problems are so big that the Government alone cannot be left with the responsibility of turning the economy round. Parliament, and all stakeholders including the public, must focus attention on the economy. I think we have spent so much time, in the last 15 or 16 months--- If you count the man-hours that have been put into politics and those that have been devoted to the economy, you will feel very sad! We are not doing much good to this country by too much politics and too little economics.

Poverty does not have party affiliation. Poverty does not have ethnic boundaries. If you are poor, you are poor! If you cannot pay school fees, it does not matter which political party you belong to. You must look at the problem wholistically! That is where we must be bi-partisan.

But the Government must be willing to open its doors, so that some of us, who may be willing to contribute ideas to help this nation to the level that it should be, can effectively participate. We do know most of the economists. I know people like Mr. Michuki. We know that

what really drives growth, and what brings about development, is the level of investments. We must do everything possible to attract investments. I am not just talking about foreign investments. I am talking about even domestic investments. There are people in this country who have huge investments, and they have transferred a lot of their investments outside the country. That money is helping other nations to grow at our expense. So, the Government's responsibility here is to try and create an enabling environment. An enabling environment starts with politics. The politics of today are not conducive to attracting any investments. We must deal with the question of infrastructure! Prof. Anyang'-Nyong'o talked about it. We must deal with the cost of doing business. With the bureaucracy involved in doing business in Kenya, it is almost impossible. We must put those things right, so that an investor will look at Kenya's situation and compare with other alternative situations and choose Kenya as his destination for the capital that he wants to invest. I think we must work on that very hard. The political aspect is within our own control in this House! It is us who create the political uncertainty through the things that we say and do. We can control that by trying to build consensus as a nation, so that we can talk. There are issues which are completely beyond political divide. Poverty is one of them.

Mr. Temporary Deputy Speaker, Sir, I am so happy, for example, that the Minister has included, in his Supplementary Estimates, about Kshs700 million plus, which is going towards credit to the farmers. To me, that is a practical step and I think in the coming financial year's Budget, we should have a substantial provision so that farmers can access credit and use it to better themselves because we know agriculture is the mainstay of Kenya's economy. One of the biggest problems has been that most of our farmers did not have ability to produce because they did not have access to credit. So, the Minister is to be commended and should be encouraged to even make it a bigger provision in the 2004/2005 Budget.

Mr. Temporary Deputy Speaker, Sir, I also wish to commend the Minister for providing about Kshs6 million to each of the constituencies. I am a great believer in the money trickling right down to the consumer or user who is the *mwananchi*. I think Members of Parliament will be able to do their jobs much more effectively because of this money, now that more will be coming in the next Budget so that we can be able to demonstrate that actually, devolution can work. To me, this Constituency Development Fund is really devolution in a small way. It shows that if you let the money trickle down and let *mwananchi* himself define his priorities, he is actually going to benefit and he will see that he is part of development.

Mr. Temporary Deputy Speaker, Sir, I will just mention quickly about this question of donor support. I feel very sorry for my brother, the Minister for Finance. When I used to come here as the Minister for Finance and beg Parliament to support me in terms of getting some of these conditionalities fulfilled, people thought that it was the usual KANU stuff. I think you can see now that IMF and World Bank do not give a damn whether it is KANU or NARC but to them, conditionalities are conditionalities. I know the Government is going through a rough time now, trying to convince them that this is what we can do and this is what we cannot do. So, I think support for the Supplementary Estimates is total as far as I can tell from the House, but it is very dangerous to predicate your development on donor support. As you can see, already, we have a big Budget hole of Kshs20 billion which is money that was promised but has not been fulfilled for a particular purpose.

So, I think we really have to think of our own home-grown solutions to this problem, so that we do not have too much dependence on donor support, because the donors have a different way of looking at our problems. Kenya's problems are Kenya's problems and the donors do not give a damn, unless you fulfil the conditions as they specify. Some of these conditions are of a legislative nature. They will tell you that you must privatise. You may not agree with that but if you do not

privatise, the matter ends there. There is no further disbursement of funds. So, we need to be very careful and we need to set our own priorities and it is those priorities that we ourselves have determined. We should go to the World Bank, IMF, European Development Bank or the East African Development Bank and say: "These are our priorities. This is what Kenya needs. Are you able to support us?", rather than the other way round.

Mr. Temporary Deputy Speaker, Sir, I would also like to say that I am little bit disenchanted with the way the Government is spending its money. We are a poor country. Can we really support some of these ostentatious expenditures like all these nice limousines I see my good friend there, hon. Ndwiga sits in? Professor Anyang-Nyong'o, yours is not very ostentatious but you know, when you see some of these cars, you get quite amazed. Actually, you are almost overwhelmed.

The Minister for Planning and National Development (Prof. Anyang-Nyong'o): Mr. Temporary Deputy Speaker, Sir, Should we then buy donkeys?

(Laughter)

Mr. Okemo: Mr. Temporary Deputy Speaker, Sir. Not quite donkeys but some four-wheel-drive cars that are affordable. But you see these huge Range Rovers, state-of-the-art VXs and big Mercedes Benz vehicles. Okay, it is not that I would mind driving in one but can we afford it?

(Laughter)

I think we need to look at affordability very carefully, so that the Government can live within its means.

Mr. Temporary Deputy Speaker, Sir, the biggest problem now is that because of the big gap, this Budget deficit that we have, the Government has got to resort to domestic borrowing.

The Minister for Co-operative Development and Marketing (Mr. Ndwiga): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member, who is my friend, really in order to mislead this House that Government Ministers are riding in big cars when, in effect, this same House approved a huge sum for Members of Parliament to spend on vehicles?

Mr. Okemo: Mr. Temporary Deputy Speaker, Sir, I think I will not make a comment on that because I know my brother is just trying to interrupt me, so that I do not punch more holes into the Government programmes.

Now, I did say that because of the big Budget deficit, the Government is going to have to resort to domestic borrowing and, of course, the implications are far-reaching. We are going to begin to see interest rates beginning to go up and this is inevitable. This is because, in the first place, we depended too much on the promises given by the donors. They have let us down and so, you end up really playing around with your fiscal programme. So, we should find a more sustainable way of putting together our Budget.

Mr. Temporary Deputy Speaker, Sir, I do think that the most important thing and I saw the Minister for Trade and Industry--- I wish he was here to hear this; that, the key and sustainable way for us to really develop is through opening up of trade with other countries. If the markets were available for our goods in all these developed countries, like the European Union and America, we would be able to generate more money than all the donor support that you can imagine.

I beg to support.

Mr. Syongo: Mr. Temporary Deputy Speaker, Sir, thank you very much for giving me this opportunity to support the Motion. Economic recovery must be the focal point of all our Government's policies and programmes. However, one thing that is of concern to me, and should be

of concern to all of us, is the fact that we are not doing enough to promote the productive sector of our economy. No matter what we do, so long as we are not promoting the productive sectors of our economy, the economy will continue to freeze.

Mr. Mganga: On a point of order, Mr. Temporary Deputy Speaker, Sir. We are discussing a very important Motion on finance and Government activities but, surprisingly, there is no quorum.

Hon. Members: There is quorum!

Mr. Muite: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the hon. Member from the Opposition to say that there is no quorum and yet, there are only five Members present on his side? He should be criticising his side. They should be there in great numbers!

The Temporary Deputy Speaker (Mr. Ethuro): Mr. Muite, you are completely out of order. Well, when an hon. Member raises on a point of order on the issue of lack of quorum, the only logical thing to do is to count the hon. Members. So, let us do the counting and then we can proceed from there.

*(The Clerk-at-the-Table counted
the hon. Members)*

Order, hon. Members! We have quorum.

(Applause)

Order, hon. Members! Mr. Mganga, you are out of order. Could you get out of the Chamber for the rest of the day?

(Applause)

(Mr. Mganga withdrew from the Chamber)

Proceed, Mr. Syongo!

Mr. Syongo: Thank you, Mr. Temporary Deputy Speaker, Sir. Before I was rudely interrupted, I was making a point about the need for the Government to focus on expanding production. Presently, the way our economy is structured, the sector that gives us the greatest promise for economic recovery through the expansion of our economy to absorb the idle capacity that we have, lies in agriculture more than in any other sector.

Mr. Temporary Deputy Speaker, Sir, as I speak now, we are in danger, in fact, of losing out on the Africa Growth and Opportunity Act (AGOA) initiative because we have never put in place a programme to produce sufficient cotton to feed our textile industry.

While we commend the Government for injecting a new impetus in the recovery of the dairy sector, there is an opportunity for us to provide selective incentives for the dairy sector to expand in the Ultra Heat Treated (UHT) technology in order to tap the market that exists in the countries bordering us to the north such as Sudan, Ethiopia and others which cannot produce milk in their economies.

We need serious investments to expand the agricultural sector and we must have an appropriate policy and investment environment that will enhance the growth of the agricultural sector. The manufacturing sector is seriously undermined by the current policy on liberalisation. We have an unnecessary inflow of manufactured goods and we know that we can easily revive our

manufacturing sector if only we look at the policy of haphazard liberalisation in the same sector. We must do so, otherwise, we will have a situation that speaks of a freezing or dwindling economy. If we do not generate sufficient demand, we will not be able to improve our economy.

Mr. Temporary Deputy Speaker, Sir, as part and parcel of the policy to create demand and expansion of the productive sector of our economy, we need to orientate our foreign affairs policy away from politics, but towards promoting investments, export trade and tourism. I think we cannot justify the kind of money we are currently spending on our foreign missions. We need to be rational and give each of our missions abroad specific targets so that the amount that is allocated to them is related to the amount of exports that they are able to achieve in their areas of mandate. The days of just having embassies for the sake of having our flag flying high, are long gone. We need to look at our foreign policy and make it part and parcel of our economic initiative.

Mr. Temporary Deputy Speaker, Sir, with regard to financing, deficit-financing is not necessarily a bad thing. I know that comments have been made and concerns have been raised about the ever-widening deficit. But deficit-financing, so long as it is intended to expand the economy and is properly applied, can, in fact, stimulate economic growth. We should not, therefore, be too shy to use deficit-financing to fund our economic recovery and growth. We must be strategic and very, very careful in terms of the application of the deficit finances.

I agree entirely with the hon. Member who spoke before me. It is high time we presumed that donor funding is not forthcoming and started seriously, to think of in-house policies that will replace the large sums of money from donors or development partners. If the money comes, then, let it be a bonus, after all for nearly 14 years we have been doing without donor funds. I think it is high time we refocussed and strategised on the premise that donor money may not be forthcoming.

Concerning the issue of bank interest rates, I would like to ask the Minister for Finance to create a policy and re-engineer fiscal and monetary policies and harmonise them in order to create an environment that will generate demand for the excess liquidity that is currently in the banks.

An hon. Member: But there is none!

Mr. Syongo: Mr. Temporary Deputy Speaker, Sir, there is considerable liquidity in our banking sector. Banks have a considerable amount of money and that is why they are now aggressively promoting small time loans based on consumption rather than serious investments. The issue of the wide gap between interest being offered on deposits and savings and the amount of interest being charged on loans, must be addressed. A practice where banks charge an interest of less than 5 per cent on deposits and savings, but charge up to 16 per cent on loans is, indeed, unfair. The 15 per cent interest on loans is, indeed, large. We need to look at that so that we can create incentives for people who can save to save and at the same time create incentives for people who are willing to invest to borrow money in order to improve our economy.

Mr. Temporary Deputy Speaker, Sir, with those remarks, I beg to support.

The Assistant Minister for Agriculture (Mr. J. Nyagah): Thank you, Mr. Temporary Deputy Speaker, Sir, for recognising me.

I would like to start by thanking the Minister for Finance and confirm to him that I support him for bringing the Motion on Supplementary Estimates in this House.

*[The Temporary Deputy Speaker
(Mr. Ethuro) left the Chair]*

[Mr. Deputy Speaker took the Chair]

Mr. Deputy Speaker, Sir, when I was in KANU and a Minister too, there are some things

that we did which caused us a lot of problems. It is important that we do not repeat them because, if we do so, we might have the same problems that we had during the KANU regime. The good thing, however, is that we have a very able Minister for Finance and who is determined to run the Ministry of Finance efficiently and effectively under very difficult circumstances.

I would like to refer him to a very famous film that we used to watch. It was called, "Yes, Mr. Minister." According to that film, technocrats sit and plan everything. They bring the plans to the Minister when he is very tired. They look at each other and Mr. Minister signs things that he does not know. So, I would like to refer the Minister for Finance to that particular film because of its educational content. It will actually assist in knowing the potential dangers in inheriting some of the staff he might have inherited in the Ministry of Finance. I say this with the greatest respect for the people who work at the Treasury. Even though, we also know some of them.

I thank the Minister for having recognised the need to develop Arid and Semi-Arid Lands (ASAL) districts. They form a very major part of this economy. I come from one such district. There is always a tendency within the ASAL programmes for bigger recognition for the pastoralist areas of North Eastern Province of Kenya. I would like the Minister and his team, when working on the ASAL programmes, to recognise and do more rather than cut down benefits for the semi-arid areas like Mbeere and Makueni districts. We do not have many camels, cows and goats. Neither do we grow coffee and tea. So, when the Minister will be looking at the budget for ASAL areas, he ought to be very sympathetic to the semi-arid districts like the one I come from.

For example, I have just looked at the current figures and noticed that the allocation for my constituency, Mbeere, has been reduced by Kshs6 million, which would have gone a long way in providing water to my people. Kshs6 million would have financed the construction of approximately ten boreholes! There is an area in my constituency where women walk 24 kilometres to fetch water. These women would have benefited from this money. I am appealing to the Minister to be very sympathetic to us and we will support him. But let him be sympathetic to the people in the Arid and Semi-Arid Lands (ASALs). Could he also recruit some local people when he is recruiting staff to work in the ASAL office in Mbeere, for example? There are no local people in that office because the existing staff members are all from outside Mbeere. A time reaches when one becomes selfish. I would like the Minister to be selfish and recruit a few of our people, so that they can benefit from some of the money that is coming into the programme. We support the programme; we are happy with it, but we would like those little things to be taken into account so that we are happy.

Mr. Speaker, Sir, the last summit of the African Union recommended that at least 10 per cent of the national Budget should go to agriculture, livestock and the related industries. I would like to urge the Minister to pump a lot of money into the agricultural-related sectors so that the economy can grow. This is in order to, firstly, keep up with the African Union's resolutions and, secondly, to actually generate wealth because there is a lot of wealth in the agricultural sector in the wider sense; including water, livestock and agriculture in the crop sense. Let us invest in that field, because it is one of the ways we will develop. That is one of the ways the Minister will be able to generate revenue that he desperately requires.

Mr. Speaker, Sir, the Minister must continue to stamp out corruption. As a general rule, when there is corruption, it tends to be very centred in the Treasury. He has to be very careful because the revenue we are generating needs to be protected so that it does not disappear. As a general rule, there is no way corruption can take place without the very strong involvement of the Treasury. I know that the Minister is clean, but I would like him to watch very carefully as we support him in the coming years and we hope that he will stay in that position for a long time.

Mr. Speaker, Sir, I have been talking to some Kenyans living abroad. Some countries have

special programmes in arranging and negotiating with banks and companies that specialize in remitting money. Kenya is very high on the list now. I am told that, Kenyas living abroad have brought in a lot of foreign exchange. I would like the Minister to look at the possibility of negotiating for special rates from the companies that specialize in bringing money back to Kenya for our people. Other governments have done it. Let us not leave it to the multi-nationals only because they are making a lot of money from Kenya, according to the figures I have seen coming from Kenyans living abroad. It is a major source of income that we should encourage. Kenyans living abroad want to remit money back to Kenya, but it is very expensive. For every dollar they remit, a lot is taken from them in the form of commissions. The companies involved are in a position to discuss with the Government in order to negotiate better terms.

I would like to thank the Minister for allocating money to our constituencies through the Constituency Development Fund. It is going to make our constituencies very different. The people on the ground are very excited. The officers in the districts are very happy. For the first time, water engineers, road engineers and education officers in my district are very happy because they have money which they can spend. We will work closely with them. We hope that the money will be dispatched quickly so that our officers and the community can benefit from it. This money is going to be very helpful to our people.

Mr. Speaker, Sir, I continue to be concerned about the amount of energy that Kenyans spend on politics. We love politics but the amount of time we spend between ourselves about the constitutional talks at Bomas and party politics is so much that it is going to be very difficulty for anybody from outside to work with us. I would like to appeal to all politicians to reduce the political temperatures so that we are in a position to attract donor funding. I know that we do not want to be dependent on donor funding because we know the problems attributed to it. My fear is based on what happened to us in the past regarding donor funding when the goalposts kept on changing. I understand that the goalposts are changing again. One of the ways we can ensure that we benefit as a country is to ensure that we help, not the Government as such, but the ordinary Kenyan. We can only do that by forgetting our party affiliations and party positions so that the average Kenyan can benefit. He will only benefit if we reduce the political temperatures so that donor funds keep on flowing. But we must continue to work on other programmes so that we do not continue to dependent on donor funds as we are now doing.

Regarding security, which is an important aspect, I hope that the Minister will bring the whole situation under control with the money that we are voting today.

Mr. Speaker, Sir, with all these and other measures, I am sure we will be able to reduce poverty. I beg to support the Minister and the Motion and request him to watch the film known as "Yes, Mr. Minister". Thank you.

Mr. Ndambuki: Thank you very much, Mr. Speaker, Sir, for giving me this opportunity to support this Motion.

Firstly, I would like to thank the Minister for managing to cut down the Supplementary Estimates to what they are now. I am sure the Minister is also finding it difficult to collect some of these funds, but if there is one Government which enjoys a lot of goodwill, it is the NARC Government. But it is kicking out the goodwill. The Government enjoyed a lot of goodwill from the local people, from the donors and from the Non-Governmental Organizations (NGOs), but it is not making good use of it. I would like to urge the Government to make good use of this goodwill which has been prevailing since they came to power.

One way of kicking out this goodwill from the locals and the donors is the fact that there is too much politics going on. People are spending days politicking without doing any work. Once a Minister, a Permanent Secretary or an Assistant Minister, makes a statement, it is taken as the

official position of the Government. It is hard to differentiate your personal statement from the official one. I would like to urge my colleagues, gentlemen, because the going is good for them, to be also good to the people who elected me. But if you do not make use of this goodwill, and you kick it away as you are doing now by just politicking, it is not going to help any of us. In fact you will find yourself out of the Government very soon and then you will start asking why you are out of the Government. It is just because of your own actions, and not anybody else's.

Mr. Speaker, Sir, I would like to ask the Minister to start thinking of doing real budgeting. Real budgeting requires the Minister to budget only on the basis of what he has in his hands or what he expects to collect from Kenyans, rather than depending on what he has been promised and then coming up with amendments.

Mr. Deputy Speaker, Sir, the Government was promised Kshs20 billion by donors, but that money has not come. When the Minister is replying, I would like him to tell us what caused the delay of the Kshs20 billion. This delay will cost Kenyans a lot. It will create a deficit in our Budget and taxpayers will be taxed more to bridge it. The prices of commodities in the market, like maize flour, have gone up. I would like to ask the Minister to take care of the *mwananchi*. There is no money in the hands of Kenyans. The Kshs3 billion which was supposed to be raised from the third mobile telephone subscriber has not been received. That has also widened the deficit.

I have noted that in the Ministry of Education, Science and Technology, there is a reduction of Kshs1 billion. There is an acute shortage of teachers in every district, and I would have liked the Minister to use this money to recruit more teachers, so that this problem can be sorted out. We appreciate the implementation of free primary education programme by the Government. However, the gain which is being received on the right hand is being consumed by the left hand. Parents are hiring teachers. If you go to every school, especially in my constituency, you will find teachers who have been employed by the parents. That gain which was there, and which the Government meant to be enjoyed by the public, is being used to hire teachers. I would like to request the Minister to consider allocating funds to the Ministry of Education, Science and Technology for the recruitment of teachers.

Mr. Deputy Speaker, Sir, I want to touch on insecurity. Everyday in this House, there is a Question about insecurity. The Vote of the Office of the President has been increased. This has gone to the police force, Administration Police and the prisons. We would like to urge the Minister of State, Office of the President, to make sure that these funds are well utilised and Kenyans are well protected. We have had incidents where even hon. Members have been attacked and carjacked. We should take this issue seriously.

I thank the Minister for giving the Agricultural Finance Corporation (AFC) Kshs769 million. I would also like to raise some concern. During the last allocation to the AFC, my region, which consists of four districts, received Kshs8 million, which translates to Kshs2 million per district. As a result of this, many people did not get the AFC loans. As I speak, we have more than 500 applications pending in the AFC office in Machakos. These applicants cannot be advanced loans because of lack of funds. I would like the Minister to ensure that the AFC funds are distributed equally to all areas.

Mr. Deputy Speaker, Sir, the Minister also talked about the Water Act. As I speak, some regions in Kenya have no access to clean drinking water. In the Budget, my district was allocated about Kshs5 million for water. That amount of money is very little. It cannot even construct a dam which will help our people. I would like more funds to be allocated to water services so that our people have access to clean drinking water. They will ensure that they do not walk for long distances to collect water, as is the case now.

With regard to the travel advisories from the USA, I do not know what the Government is

going to do. The tourist industry is experiencing a lot of problems and hotels are closing down because of lack of tourists. The hoteliers are now competing to host seminars. I do not know what measures the Government will put in place to have these advisories lifted. I would also like to ask the Minister for Trade and Industry to make sure that our people are not sacked unnecessarily. About 20,000 employees of the Machakos and Nakuru branches of the Coca-Cola Bottling Company will lose their jobs by tomorrow because the branches are closing down. The Minister should take action to stop this and help these employees.

Mr. Deputy Speaker, Sir, on the question of interest rates, it will be very difficult for Kenyan businessmen to do business if interest rates go up. Due to the Budget deficit, chances are that when the Government borrows from the local market, the interest rates will go up. This will make it difficult for our economy to grow. I would like the Minister to see how best he can deal with this matter. We can only get out of our current situation by encouraging more investors into this country. This will create employment for our people and the economy will pick up. However, we are fighting each other all the time and this will discourage investors. I do not see why we should concentrate on very small issues and make them mountains when we can sit down, sort out our problems without the external community knowing about our differences.

The other issue is on the tribunals and the commissions. The Minister still wants to fund the tribunals and the commissions. If there are some people who are suspected to have committed an offence, they should be taken to court instead of establishing tribunals and commissions. This is wasting taxpayers' money. If, at the end of the day, these people will be taken to court, why not do it? The Government should stop misusing taxpayers' money by funding these tribunals and commissions.

Mr. Deputy Speaker, Sir, I wish the Minister well in his negotiations with the IMF and the World Bank. I know it is difficult. I would like to ask him kindly to bring to this House the donor conditionalities that are hindering the disbursement of the Kshs20 billion, so that we can help him.

With those few remarks, I support.

Mr. M'Mukindia: Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to also join my colleagues in supporting this Motion by the Minister for Finance.

In the last one-and-half years, the economy of this country changed positively. However, there are three things that will either derail or slow down the very good economic objectives that the Government is trying to implement. The first is the inertia that the Government has inherited in the Civil Service. It is not the civil servants *per se*, who have a problem, but it is the history of the Civil Service itself. Civil servants were not given the chance to make decisions and, therefore, they are not used to making decisions, taking risks and managing whatever institutions are under them. Therefore, this inertia is still crippling us. The first thing that the Minister for Finance should tackle is to put more money into the Civil Service reform, so that whatever policy the Government comes up with, they are implemented. I think that is really the most important thing. No matter what good policies we have, if civil servants at the end of the day are scared of making decisions and moving forward, nothing will happen. To this extent, the Government must start with the Permanent Secretaries. If Permanent Secretaries are scared of making decisions, nothing will get done. Therefore, the Government must start with the Permanent Secretaries. If they are not good enough, let them be given other jobs. If we really want to move quickly, we have to get the best possible PS. It does not matter where he or she comes from. I think the time has come for this Government to really move fast. The policies and direction are right, but nothing is happening.

Mr. Deputy Speaker, Sir, as you know, *wananchi* are saying they have no money in their pockets today. They are complaining that they have two major problems; they do not see any major change in terms of corruption and now they have no money in their pockets. They have even gone

to the extent of saying that things were better during Moi's time. It is a fact, and the Government must address this question. Why is it that *wananchi* are saying they had more money in their pockets during Moi's era rather than today? If the Government does not move quickly to put money into the pockets of *wananchi* by supporting those programmes that actually put money in *wananchi's* pockets; for example, the production of cotton, coffee, tea and sugar, it will lose *wananchi's* support. Increasingly, our NARC Government is losing the support of *wananchi*. It has to move very quickly to change this course of events, otherwise we may find ourselves in trouble.

The second thing is an issue that I find to be a major threat to the policies of this Government, and it is totally embarrassing. If you speak to *wananchi* they will tell you that there is still a lot of corruption in our NARC Government. This is something that Ministers cannot run away from. They cannot tell the country that we should report to the police whenever a crime occurs. This is a repeat of what KANU did. They continuously told us to go and report to the police if we witnessed any corrupt deals. You and I know that it will not happen. The Government has got all the organs to investigate and bring to book any culprit that may exist.

To this extent, I fear for my brother, Mr. Mwiraria, who is an honest man. His name is being tarnished for nothing. For that reason, the Minister should take this opportunity to totally clear his name, because people are saying it cannot be done unless the Treasury is involved. Therefore, it is important that Ministers clear their names at the individual level, otherwise we will be unable as Back-benchers to continue supporting the Government when we are confronted, day in, day out, with issues of corruption. We find it difficult, and yet we try very hard as NARC Back-benchers to support the Government. I think the Ministers must help us to help them by coming out clearly and categorically stating that they are not participating in these shady deals. If that is not done, we will have problems. We will end up exactly where the KANU Government was. If we do not sort out the issue of corruption, nothing will move.

People are now saying that corruption has moved from the police on the roadside and *matatus*, to the top Government offices. So, each one of us has a responsibility to ensure that we clear ourselves here. It is being said that the rates in corruption deals have changed from 10 per cent to 40 per cent. This has to be cleared by the Government. We know the President is committed to zero tolerance to corruption. Therefore, his Ministers must also commit themselves at a personal level to the same thing that the President has committed himself to.

The third issue that is a danger to our efforts, in my opinion, is wastage. For example, there is hardly any support for the cotton industry at the moment, and yet the Government has gone ahead and bought Bima House. This is a question of buying something that is totally unproductive. Bima House will not produce anything. If the same amount of money had been invested in cotton production in Makueni, Kitui, Embu and Busia, you would probably have doubled the income for *wananchi* within one year, and they would not complain of not having money in their pockets. Maybe, two years down the line, you could still have bought Bima House anyway.

The Minister for Planning and National Development (Prof. Anyang'-Nyong'o): But you would not have got a commission!

Mr. M'Mukindia: I am afraid that my friend, Prof. Anyang'-Nyong'o is not right in this case, because it is wrong to spend money on buying buildings which are already more or less Government buildings, instead of putting money where it is productive. This is wastage. It is one case of the Government not knowing what each arm is doing, because one arm is doing one thing, while the other arm is doing another one. Here we are applying for money for the cotton industry. Coffee farmers have not been paid, and yet the same Government is spending money on unproductive assets. It is absolutely not supportable by us. I think it is possible to reverse those decisions; they ought to be reversed.

Most of the countries that have been able to move very fast in development are those ones which have totally reduced wastage. In Singapore they have had an Economic Development Board for years, and every expenditure was fine-tuned with whatever was happening in all the government departments. As a result, every arm of the government knew exactly what was happening. You do not spend money with one hand while you are losing it through the other hand.

At the moment, the Government is spending money buying assets like Bima House and borrowing from the CBK. As a result, interest rates are going up. *Wananchi* who are trying to borrow money cannot do so now because of high interest rates. What are we doing? Are we truly encouraging economic development by enabling *wananchi* to borrow at lower interest rates? We are not! This co-ordination is still lacking. I would encourage the Minister, because at the end of the day, unfortunately, he will be held responsible by Kenyans, to create an organ that will enable him to look at what is happening in all sectors of the economy, so that there is no wastage. This will ensure transparency at all times.

Mr. Deputy Speaker, Sir, we must accept that the Kenyan economy is a high-cost economy. I would challenge and encourage the Minister to try and make the Kenyan economy a low-cost economy. This will mean that *wananchi* in this country will be able to afford services and commodities that are critical to their survival. These services and commodities are food, housing, transport and energy. If we were to do it that way, then we would be able to go into manufacturing and produce competitive goods. This has to be a deliberate policy. It means the Government has to support the weakest of the weak by providing those services. It is the only way in which we can become competitive in terms manufacturing in the rest of the region. If we continue being a high-cost economy--- For example, if everybody asks for a salary increase and gets it, the prices of essential commodities will increase and we will not go anywhere. The head is chasing the tail. At the end of the day, we must break this cycle.

I would encourage the Minister to study what India is doing, what China has done, and how Taiwan developed, so that we can also have a low-cost economy. He should ensure that we have a low-cost economy, and that our products are competitive and of high quality.

Mr. Deputy Speaker, Sir, I wish to support.

Mr. Deputy Speaker: I wish I could give everybody a chance to contribute to this Motion, but Mr. Githae stood first.

The Assistant Minister for Justice and Constitutional Affairs (Mr. Githae): Thank you, Mr. Deputy Speaker, Sir, for seeing me at long last. As I was seated here, I heard one hon. Member talking about what the NARC Government has not done. I just sat down and made a few notes of what we have achieved. I am really surprised by the amount of work that this Government that I serve has done. We need to congratulate the people who have been entrusted with those duties by the President.

Mr. Deputy Speaker, Sir, I rise to support this Motion from the Minister for Finance, asking that this Parliament approves the Supplementary Estimates. One of the things that has shown me really that this Government has done so much and, therefore, even this money that we will soon be voting will be taken to good use, is the number of things that this Government has achieved. If I may start with the free primary education programme, that has been a tremendous success and we need to congratulate the Government for that.

Mr. Deputy Speaker, Sir, the other thing is the revival of the Kenya Co-operative Creameries (KCC). The benefits are now being seen. The dairy industry has also improved. Milk was being purchased at Kshs8 per litre. Now, it is being purchased on average at Kshs18 per litre. We need to commend the Government for that move. The sale of milk is now putting money in the pockets of our dairy farmers.

The other successful institution which has been revived is the Agricultural Finance Corporation (AFC). Again, we are being told that about Kshs700 million has been earmarked to be lent to the farmers. What we need to do is advise the farmers to go to AFC and borrow this money, and develop their farms.

The Kenya Industrial Estates (KIE) is another institution that has been revived. An amount of more than Kshs550 million is ready to be availed to the industries. We, therefore, need now to advise our fellow Kenyans to go to KIE and borrow this money so that they can revive the industries.

Mr. Deputy Speaker, Sir, a bigger achievement is the reduction in interest rates in our banks, from an average of 35 per cent per annum to about 12 per cent per annum. For the first time, even the three major banks in this country, that is, Barclays Bank, Standard Chartered Bank and Kenya Commercial Bank, are now lending on unsecured basis. You just need to walk there, and you will be loaned up to Kshs1 million, which you can then invest. If this trend continues, I can see the economy of this country being revived. The Treasury Bills rates have also moved from an average of 25 per cent to a current average of 2 per cent. The Government will save substantial funds which it would otherwise have paid as interest rates. That is a miracle that has occurred in this country.

Mr. Deputy Speaker, Sir, with regard to the transport industry, for the first time, I have met *matatu* owners who have told me that they are now making money in this industry. There is order that the Minister for Transport and Communications has imposed. He is here with us, and we need to commend him, and tell him to be firm.

(Applause)

I would like to urge him not to relax. What is required is the continuous inspection of speed governors so that they are not tampered with, and inspection of safety belts so that people know that there will be no change; that these rules will not be relaxed. Once they know that, they will stop tampering with the speed governors, and buying cheap and fake safety belts.

Mr. Deputy Speaker, Sir, the other area that the Government has done very well is on the HIV/AIDS prevalence. We have been given statistics, that from a high figure of 700 people dying daily, it has now gone down to 500 people! That was as per last year's statistics. We are being told that when the census will be done this year, the figure may be even lower. That is a commendable move by the Government. It is saving 200 lives of Kenyans.

Mr. Deputy Speaker, Sir, concerning the Constituency Development Fund (CDF), we are going to be allocated Kshs6 million this year. In the next financial year, we have been promised Kshs20 million. An amount of Kshs6 million is a lot of money going to a constituency. For example, on average, most of the money which was being raised in Harambees never exceeded more than Kshs3 million in a constituency per year. So, if you get Kshs6 million, it means that we will surpass the amounts that were raised from those Harambees.

Mr. Deputy Speaker, Sir, the other thing is tourism. For the first time, bed capacity is going up! For the first time, Kenyans are also touring their own country! That is something which is good and needs to be commended.

Mr. Deputy Speaker, Sir, let me now come to the pet subject of the so-called 500,000 jobs, which some people never get tired of reminding the Government that it has not created them! Those jobs were not going to come from the Government. It was not the Government which was going to employ 500,000 people. The Government was going to give Kenyans an enabling environment, so that they could invest and create jobs. It is for us leaders to create jobs. It is not for the Government. The Government is to give an enabling environment, and it has done that! If you look at any

newspaper, even today, you will see hundreds and hundreds of jobs being advertised. So, jobs are being created, but the misconception was that it was the Government which was going to create the 500,000 jobs.

Mr. Deputy Speaker, Sir, regarding the bursary fund, we have already been given one Kshs1 million. We have been advised by the Minister for Education, Science and Technology that another substantial amount of money is coming. The present system of taking money to the constituencies is working very well. Only a few hon. Members have not constituted their bursary funds. But we should not change the system because of the failure of one or two hon. Members. We need to even proceed further. We need to start what I would call "Constituency Based Development". Even money for rural electrification and roads should be sent to the constituencies, so that each constituency could know how much money has been allocated to it. We need to proceed with that policy. It is working very well and we should not change it just because a few people are not happy with it.

Mr. Deputy Speaker, Sir, with regard to the economy, from a negative performance, it is now positive. That is wonderful! It can be witnessed by the recovery of the shares market at the stock exchange. The prices are going up. A number of people, particularly those who had purchased shares in Kenya Airways and Mumias Sugar Company, had lost money initially but, for the first time, their share prices are increasing. It is evident that the economy is working. For the first time, I saw people queuing to pay taxes at the Kenya Revenue Authority offices. We need to encourage even more Kenyans to pay their taxes. It is from those taxes that the Government will be able to render them services.

The last thing that I would like to say is: We need to revive our cotton industry. We need to stop the importation of suits. People are not measuring suits any more.

With those few remarks, I beg to support.

Mr. Kipchumba: Thank you, Mr. Deputy Speaker, Sir. I want to register my support for these Supplementary Estimates. We all agree that the Minister is, indeed, a very honest person. But he has forgotten to see very many things. I hope his Permanent Secretary did not receive a telephone call just as he alleges on very many occasions. We have seen, as my other colleagues have said, so many pending bills which have been sneaked into the Supplementary Estimates. I hope that the Minister will scrutinise them. Apart from Oloitokitok, which we are handling in the Public Accounts Committee, there are others on Thika Road, Thika-Makutano for Kshs11 million, Thika-Garissa, Kshs30 million, Mau-Narok, Kshs9 million, Kabartonjo, Kshs18 million. The Minister promised that pending bills would not be paid until such a time that there has been an audit of the same, and when the Committee has given its verdict. I hope that he can re-look at that issue.

I heard what many of the hon. Members were saying. When we talk of share prices having improved, I wanted to educate my friend, hon. Githae, that share prices and interest rates have something in common. When interest rates are very good, when they rise, then people invest and, therefore, there will be no money to buy shares and the price will have to go down. In economics, we say, other factors being constant, or *ceteris paribus*. You must consider that demand and supply must always play their part. Therefore, if the Government would like share prices to remain high, it must ensure that they do not borrow. We have seen signs of borrowing and I hope that does not go beyond what we expect.

Mr. Deputy Speaker, Sir, before I joined politics, I used to hear Members on the Government side now, say that there would be no more supplementary budgets if they formed the Government. I was asking myself, how on earth would they balance the Budget to zero-zero and ensure that there would be no supplementary budgets? How would they ensure that collections are 100 per cent and that promises given by donors would be 100 per cent, to the extent that they would

ensure a balanced Budget? Now, the reality is dawning on them and I hope they have realised that supplementary budgets are, indeed, the order of the day in governments and they must continue. We are not condemning them because they are learning. This is their first lesson and we hope they are learning very fast.

The Minister for Lands and Settlement (Mr. Kimunya): On a point of order, Mr. Deputy Speaker, Sir. Is the hon. Member in order to mislead this House that we have come here to present supplementary budgets to ask for more money from this House when, in fact, we are debating a resolution to reduce the amount of money that the Government intends to use by Kshs13 billion?

Mr. Kipchumba: Well, I thought he was a more learned man. Lawyers actually are very---

An hon. Member: He is an accountant!

Mr. Kipchumba: Oh, he is an accountant? Maybe not a very qualified one.

(Laughter)

Mr. Deputy Speaker, Sir, I will continue, because he actually did not raise any point of order. The reallocation of the Budget should not be applauded by all of us because the fact that some Kshs10 billion has been re-allocated means that there are some projects that have suffered in the process. If you look at it critically, you will realise that part of the money, such as money meant for AIDS control, which is about Kshs600 million, has been re-allocated. We have also re-allocated Kshs730 million that was meant for the Kenya Urban Transport Infrastructure Project (KUTIP), when, indeed, roads in our urban centres are in a very pathetic state. But I will understand because the Government had to get money from donors and, of course, that was not forthcoming.

I have also seen money on control of malaria being reduced by Kshs655,000, yet we know that there is a malaria outbreak in Kisii. This does not make sense. I would have been a very happy man if money meant for the health sector was increased. Instead, money meant for very important hospitals such as Eldoret Referral Hospital, which is the only referral hospital in Western Kenya, received no funding. I was wondering whether, after 'killing' the airport, the Government now wants to 'kill' the hospital again. I am happy my friend, the Minister for Transport and Communications, is here; he has instituted a Commission to delay the opening of the airport again. That is commendable because he has given his friends the job and that is again the only one we have in Western Kenya.

Mr. Deputy Speaker, Sir, when we look at horticulture, there is Kshs75 million that has been allocated to it. That is commendable, but I hope it will be distributed to all parts of the country. I have also seen some Kshs400 million being given for adult education. I was asking myself, adult education for which district? In my district, very old men and women up to the age of 80 go to our normal primary schools and I thought, probably, that money then should have been re-allocated to the primary schools. That money should have been given to primary schools instead of adult education where, probably, there will be no spending.

Mr. Deputy Speaker, Sir, I have also seen that there is about Kshs769 million for Agricultural Finance Corporation (AFC), which is commendable. But I hope the Minister for Agriculture could ensure that the process of giving out money to farmers could be made a bit easier. Most of the money that was to be given to farmers, up to now, despite the fact that the season is now over, has not been given. I do not know who will benefit from this money because many of the big farming regions of this country have almost completed their farming activities.

What is shocking me is the re-allocation of Kshs354 million for what is called 'democratic and good governance', to the Ministry of Justice and Constitutional Affairs. I was wondering, what do we mean by 'democratic and good governance', that we must give Kshs354 million, when our farmers do not have enough money? Do we want to give this money to NGOs so that they can

squander it? I would like the Minister to explain to us why is it so urgent that we must give such kind of money? Kenya is a very democratic country and that is why KANU conceded defeat and gave NARC space to take over power. It is very democratic. If it was otherwise, then we would have refused with power and stayed with it. But the fact that, indeed, Kenyans are democratic, and we are still spending money on 'democratic and good governance', I think we should be very careful.

I would like to support my colleagues who have said that the fact that we are spending Kshs620 million to buy Bima House is outrageous. Why would the Government want to spend that kind of money and be re-allocated under supplementary budgets? I thought those were long-term projects. What is the hurry? We could easily wait so that money that would have been used in this exercise could be used to rescue people in Budalangi in terms of ensuring that the floods which recur every year are reduced.

Mr. Temporary Deputy Speaker, Sir, there is a lot of money which is also going to research and we all know that research is a long-term phenomena. I thought that when we are re-allocating these funds, it is because either we have over-spent, or we want to put them into a very urgent project.

With those few remarks, I beg to support.

Mr. Deputy Speaker: I will give five minutes to Mr. Ethuro and Mr. Kimunya.

Mr. Ethuro: Mr. Deputy Speaker, Sir, I want to thank you for giving me the time, although you have taken the responsibility of sharing my time because I am entitled to the ten minutes.

Mr. Deputy Speaker, Sir, I want to start by thanking the Minister for bringing a Supplementary Budget whose net effect is actually a reduction in overall spending, which I think is a good principle. I also want to support the fact that we are having the Constituency Development Fund. I would plead with the Minister to make sure this money is disbursed immediately. That may be the only reason why we may approve this resolution immediately. We promised Kenyans and they are waiting. Very soon, the Ministers will be told: "*Mmekula pesa tena.*"

Mr. Deputy Speaker, Sir, the Minister talked about the purchase of Bima House. The Minister had said in this same House, when he was bringing the Privatisation Bill, that the Government has misused funds in purchasing and construction of buildings. He actually said that the Times Tower built for the Central Bank of Kenya is under-utilised, and yet he wants to purchase another building. That building was never meant for the CBK. This is a contradiction!

(Applause)

Mr. Deputy Speaker, Sir, I think a Budget should reflect the policy direction and our spending habits. If we have said that we do not want new buildings, let us not purchase them. It takes four months because of the other rent - We have enough Government buildings for it to take over.

Mr. Deputy Speaker, Sir, there is one major issue. Even when we have approved money for the Government to spend, there is the issue of propriety of that money. On behalf of this House, as hon. Members of the Public Accounts Committee (PAC), we have blacklisted the contractor who built the Customs Buildings in Loitokitok, and yet the Minister has given Kshs103 million. His Permanent Secretary has admitted before the PAC that those buildings cannot be worth Kshs100 million. We have already paid Kshs500 million. They had a pending bill of Kshs600 million which was reduced to Kshs88 million and now, we are giving them Kshs103 million. Does the left hand know what the right hand is doing?

On the issue of pending bills, if I heard the Minister right even previously, there was a

committee. They should not be paid until we have exhausted that.

(Applause)

Mr. Deputy Speaker, Sir, there should be transparency and accountability in the allocation of resources to Government departments. When we go to our home district as part of the District Development Committees (DDCs), we never get to know how much money is going to the Ministry of Agriculture or any particular Ministry. We are always told that the authority to incur expenditure (AIE) is there, but it is just paper. There is no money. The Minister should come up with another mechanism, like the Kenya Roads Board (KRB) is doing. When they are sending money to our constituencies, they tell us that they have sent Kshs1.5 million or Kshs1 million, so that we can be able to follow it up. It is important to have a transparency mechanism for purposes of accountability.

Mr. Deputy Speaker, Sir, the Minister for Finance has not allocated funds for the Lodwar Medical Training College. That is the only Government institution that is offering some training to our people, and the Government is about to close it. I want to appeal to the good Minister to consider allocating funds to that college, for the purpose of retaining me in Parliament.

Mr. Deputy Speaker, Sir, money has been set aside for democratisation under the Ministry of Justice and Constitutional Affairs. Ministry. When those in the current Government were in the Opposition, they had brought a Bill on funding of political parties. If we are talking about democratisation and good governance, then we should expedite the process of funding political parties, so that we stop party leaders from imposing on us candidates during every election. This will be public funds and not somebody's personal resources. They think that they own the hon. Members who they sponsored.

Mr. Deputy Speaker, Sir, the Ministry of Labour and Human Resource Development is among the Ministries that usually have the lowest budgetary allocations, but the Minister for Finance has taken away Kshs22.5 million from its Development Vote and Kshs725 million from its Recurrent Vote to the Vote of the newly formed Ministry of Livestock and Fisheries Development. This Government has excellent rhetoric on the development of ASAL areas. It is has taken away another Kshs180 million from the Recurrent Vote. Let this Government put its money where its mouth is.

With those remarks, I beg to support.

The Minister for Lands and Settlement (Mr. Kimunya): Mr. Deputy Speaker, Sir, I rise to support this Motion.

Again, on a very comfortable note, we are standing here to ask the House to accept a reduction in spending by Kshs13 billion. Some hon. Members have been saying that we need to fit the jacket to the size of our body. We are fitting the jacket based on the cloth we have and on exactly what we need. Despite all that has been said, what we are witnessing is prudent management of this country's resources. For the first time, we are witnessing a different situation. We do not have to spend money just because it is provided for in the Budget. If we believe that spending of certain provisions will not add value to the lives of Kenyans, we should re-allocate those resources to where they are needed most, or even suspend the spending until we believe it will add value to Kenyans.

Mr. Deputy Speaker, Sir, it has been queried whether we need to be thinking of short-term interventions. I would like to ask my colleagues to bear with us as we look into investment in the long-term. Research and development of governance structures take time. The fruits are long-term. If we go for short-term interventions, then the fruits will also be short-term. So, let us be patient.

I would now like to briefly talk about corruption. There has been a lot of talk about corruption. There are so many allegations that have been made, but we are yet to see evidence.

Hon. Members from both sides of the House are concerned about corruption and misuse of public resources. If anybody has evidence of corruption that has taken place, he should produce it, so that we can clean up the rot in the country. Fundamentally, we must restore the respect of this House, so that anything that is said on the Floor of this House can stand the test of time. I would like to see evidence of corruption tabled, so that we can have it on record. When the people who speak the loudest about corruption are caught, they go back to their tribes, parties and regions, and say that they are being finished. I would like to see evidence on corruption tabled in this House, so that we can deal with the problem once and for all. Let us not use talk as a way of delaying action.

Mr. Deputy Speaker, Sir, some hon. Members have said that our people are getting poorer than they were previously. I wonder why we are not seeing and yet we have got eyes. People are not looking out there to see the general improvement of livelihood of Kenyans. Previously, pupils paid for education. Every child is being paid to go to school. Previously, parents paid for their children's education, and a lot of money was extorted from them. Parents are now saving the money they used to pay. They are also gaining indirectly from the money that the Government pays for their children's education. Those people do not realise that maize, milk and sugar-cane farmers now earn more from their produce. The prices of those products have increased at the production-level, where it actually matters.

A lot has been said on the issue of pending bills. I would like to issue some comfort to my accountant colleague who raised the issue one pending bill of more than Kshs100 million. On page 80 of the Revised Estimates, the Government has committed itself to reducing the payments of pending bills by Kshs1.8 billion. This was approved by this House and we are not paying any pending bills.

Mr. Omingo: On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the Minister to mislead the House? The issue is not whether the Government is reducing the pending bills, but rather the propriety of the payments of those bills. He is an accountant and I think he appreciates what I am saying.

The Minister for Lands and Settlement (Mr. Kimunya): Mr. Deputy Speaker, Sir, I would like to ignore the sentiments of the hon. Member.

The point I am making here is that we had a choice of spending Kshs1.8 billion on air bills, but we are not going to do so until we have subjected them to due diligence. That should be the comfort that this House should have.

Mr. Deputy Speaker, Sir, with those remarks, I beg to support.

Mr. Deputy Speaker: Hon. Members, it is now time for the Minister to reply.

The Minister for Finance (Mr. Mwiraria): Mr. Deputy Speaker, Sir, I beg for your indulgence to donate five minutes of my time to Mr. M. Kariuki.

Mr. M. Kariuki: Mr. Deputy Speaker, Sir, I wish to thank the Minister for the time he has given me.

Mr. Deputy Speaker, Sir, I wish to support the two resolutions and make only one important point. I wish to make some observations regarding investor confidence. A lot has been said on this area, but one gets worried. When you are out of this country and you are trying to access the internet to find out what is happening in Kenya, the kind of stories that one gets, particularly if you do not reside in Kenya, are worrying. The newspaper headlines on every other day give the impression that there is no stable Government in this country. The impression is created that, perhaps, in a few months, there might be a change of guard. This is very worrying. I believe that the Press has a responsibility to this country.

I think the way forward in terms of getting correct and accurate information is, first, to open up the Press. Let us have a Freedom of Information Act, so that the Press can access important

Government documents so that they can report accurately. This is because, the kind of headlines published by the Press are speculative. It is like the Press has tried to get information it could not get. Therefore, they speculate on what could be going on. In that regard, the Press will become accountable in terms of factual reporting. The Press will have to report accurately because they have already accessed the actual information that they are seeking. I look forward to the Government bringing a Bill on the freedom of information, so that the Press can empower itself and, therefore, take up the responsibility and the patriotism to report accurately about our country.

(Applause)

Mr. Deputy Speaker, Sir, we have a serious problem with the media. It looks like journalism is a trade for all, and anybody can invent himself to be a journalist overnight. It is not clear who qualifies to be a journalist in this country. We find professionals like lawyers, teachers and economists becoming journalists, and you wonder whether there is truly a profession called journalism. That freedom of information has to also ensure that there is an oversight body which will ensure that there are ethical standards to be observed by the media. I think that way, we shall have transformed the image of this country to the outside world. This is because any investor coming to Kenya will look at the print media first, even before he gets to the ground.

Mr. Deputy Speaker, Sir, the issue of access to information is also important to investors who come to this country and want to find out which area they can invest in. We must have a data bank, where we are able to provide information to potential investors who come to Kenya to find out which area they can invest in. If you look at the direct investment that a country like Tanzania, Mozambique and Chad have got in the recent past, it has come as a result of minerals that have been discovered in their countries. There has been a lot of exploration in this country on minerals. However, we never get information as to what has been discovered. I submit that if we are able to discover some minerals in this country, and I believe there is potential for oil, we will be able to turn our economy around. Mozambique now has a high economic growth rate. We are also told the Republic of Chad has the highest economic growth rate because of the discovery of minerals. I think we must put much more effort in terms of exploration of minerals, so that we can turn the economy around.

Mr. Deputy Speaker, Sir, I just wish to cite one other thing on tourism. I heard the Minister talk about the European Union (EU) and the grants which are supposed to promote tourism. I am informed that about three years ago, there was an agreement between the EU and the Kenyan Government in terms of promotion of tourism. It is very interesting that only European firms are given the contracts to promote tourism in Kenya. This is very unfortunate. If we are getting the grants from the EU, they should be able to empower our people to promote tourism. After all, our own people know better about tourism than foreigners. So, we get the so-called grants but on the other hand, they are taken back to those same countries. In February, this year, the British Broadcasting Corporation (BBC) was running some tourism promotion programmes on Kenya and for about three or four shows on television, we were told that Kshs1 billion had been guzzled by the BBC. So, we need to review our attitudes towards the promotion of tourism because these travel advisories are coming about as a result of inadequate information.

Mr. Deputy Speaker, Sir, with those few remarks, I beg to support.

The Minister for Finance (Mr. Mwiraria): Mr. Deputy Speaker, Sir, let me take this opportunity to thank the hon. Members who have really contributed to this Motion very constructively. I do appreciate the many points raised. We, as a Government, are open to criticism, and we accept it.

Mr. Deputy Speaker, Sir, the one issue which has been discussed at length, and which I want to comment on, is corruption. I would like to say that the NARC Government took over power when corruption was at the top. The Ministers are, perhaps, the only team which is truly NARC. If there is a weakness there, you can criticise us. But we inherited a system which had created a culture of corruption. What is happening is that the people whom we have worked with for a few months, and we thought were good, are coming out in their true colours. I want to say that the Government is not blind on this and appropriate action will be taken. I hope and trust that hon. Members of this House will congratulate the Government when it takes action.

Mr. Deputy Speaker, Sir, let me talk about a few other aspects. One of them is that some hon. Members have fairly raised some pertinent points on the ASAL areas and the action the Government has taken. I would like to assure this honourable House that the NARC Government has given special attention to the ASAL areas. For instance, we had an opportunity, today, to talk about building primary schools in the ASAL areas. There is good probability that we will get some money to put up some primary schools in those areas.

(Applause)

Let me now talk about the donor conditionalities. Let me be quite candid and say that the non-receipt of donor funds is not in anyway, related to our failure to fulfil the conditionalities. This is because we did not accept any conditionality which we felt would embarrass us or this nation at all. The only problem I think we have run into, and this is something which we had forewarned the World Bank and the International Monetary Fund (IMF), is that our public wages have gone to the ceiling. But, and this is important, we had told the two lending institutions that if we really want security, and a country cannot develop without security, we must pay our Armed Forces properly; we must pay the police properly. I have just come from Washington and I can assure this House that after speaking to the President of the World Bank and the acting Managing Director of the IMF, this will not pose a problem. So, we are still on course and we will get the support.

The problem which, maybe, I should not talk about is that there is what you may call "shifting of goal posts".

(Laughter)

It is better to be honest, and this is important; we are being accused of quarrelling internally.

(Applause)

That is true. I will fail in my duty if I do not tell you the truth.

Hon. Members: That problem is on that side of the House!

The Minister for Finance (Mr. Mwiraria): Mr. Deputy Speaker, Sir, I am talking about something fairly serious. All of us, whether we are within the NARC group or without, we are Kenyans and if we want to develop this country, we must really join hands and move together.

(Applause)

We cannot afford, even for me as the Minister for Finance, to ignore what you people have to say because this country belongs to all of us. Our responsibility is to make sure that Kenya moves ahead with all of us, without leaving any section behind and quarrelling about what we have left

behind.

Mr. Wamwere: On a point of order, Mr. Deputy Speaker, Sir.

Hon. Member: *Kaa chini! Wacha mambo yako wewe!*

Mr. Wamwere: Mr. Deputy Speaker, Sir, I was just going to ask a very simple thing. Could it be in order for the Minister to explain a little bit about what he referred to as "shifting of goal posts"? That is all I am asking the Minister to explain.

Mr. Deputy Speaker: Order, Mr. Wamwere! That is not a point of order!

The Minister for Finance (Mr. Mwiraria): Mr. Deputy Speaker, Sir, let me refer to the Mai-Mahiu/Narok Road which has been raised by Mr. Ntimama. Three months ago, I got donors to finance the construction of that road. If I had known, I would have found out why nothing has happened. But we have got the money. The Government of Kenya has set aside some money and two donors have come up to assist and there is enough money to rebuild the road.

Let me say that in the banking sector, we have perhaps been more successful than we even had hoped to. Today, banks are looking for people who are salaried to give them loans without collateral. That is something which could not have happened before. What is even more important is the fact that the interest rates have come down to affordable levels. But the banking system we have today is not serving the poor of the poorest, ordinary Kenyans, kiosk owners and the average farmer. So, we are really determined to bring the Micro Finance Bill to this House for approval.

(Applause)

As a Ministry, we have finished our work and handed over the draft to the Attorney-General, who unfortunately is not here. We hope he will draft the Bill which will be brought to this House. We should support all the people. We believe that all being well, everything will move.

Regarding the slow pace of development, let me say that development cannot come overnight. During the Budget, I offered incentives to investors from Kenya and from without. I am happy to inform this House that, in fact, over 100 companies have applied for these incentives. Many of those companies are expanding their factories within Kenya, while others are new. All I can say is that within a year, we should begin reaping the benefits of the investment. Let me say that not only have half the people in Kenya started expanding, but we have also in a sense, by refusing to give them protection, forced them to be very competitive.

Mr. Deputy Speaker, Sir, I would like to say that, today, out of the 26 pharmaceutical firms operating in Kenya, several of them have competed for sale of drugs within Africa. Kenyan companies have competed with those from South Africa, India and China and won. So, we are really making some progress.

Mr. Deputy Speaker, Sir, to conclude, let me assure the House that the Supplementary Budget I have brought before this House will not enhance the deficit. We are determined to keep the deficit below the figure I mentioned in this House, and I am sure I will give you the results at the end of this financial year.

Mr. Deputy Speaker, Sir, on pending bills, we decided as a Cabinet, that no pending bills will be paid before forensic audit has been done.

(Applause)

I have already said that the fight against corruption is for all of us. May I invite any hon. Member here who has any information on pending bills which are being paid behind my back to come and discuss them with me and we will stop them.

Mr. Deputy Speaker, Sir, with those few words, I beg to move.

(Question put and agreed to)

ADJOURNMENT

Mr. Deputy Speaker: Hon. Members,
that concludes the business on the Order Paper. The House is, therefore, adjourned until Tuesday,
4th May, 2004, at 2.30 p.m.

The House rose at 6.30 p.m.